

[Translation]

Annual Securities Report

(The 136th Business Term)

From January 1, 2025 to December 31, 2025

2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka, JAPAN

Kubota Corporation

TABLE OF CONTENTS

Cover

1. Overview of the Company	1
1. Key Financial Data	1
2. History	2
3. Description of Business	4
4. Information on Affiliates	7
5. Employees	10
2. Business Overview	12
1. Business Issues to Address	12
2. Sustainability Approach and Initiatives	15
3. Risk Factors	31
4. Analysis of Consolidated Financial Position, Results of Operations, and Cash Flows by Management	34
5. Material Contracts	37
6. Research and Development (R&D) Activities	38
3. Property, Plant, and Equipment	41
1. Summary of Capital Investment	41
2. Major Property, Plant, and Equipment	42
3. Plans for Capital Investment and Disposals of Property, Plant, and Equipment	44
4. Information on Kubota Corporation	45
1. Information on the Shares of Kubota Corporation	45
2. Information on Acquisition of Treasury Shares	51
3. Dividend Policy	52
4. Corporate Governance	53
5. Stock-Related Administration of Kubota Corporation	100
6. Reference Information on Kubota Corporation	101
1. Information on Parent Company of Kubota Corporation	101
2. Other Reference Information	101
Consolidated Financial Statements	102
Independent Auditor's Report (Filed under the Financial Instruments and Exchange Act of Japan) (Translation)	169
Confirmation Letter (Translation)	175
Management's Report on Internal Control over Financial Reporting (Translation)	177

COVER

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[Applicable Law]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed to]	Director, Kanto Local Finance Bureau
[Filing Date]	March 16, 2026
[Fiscal Year]	136 th Business Term (from January 1, 2025 to December 31, 2025)
[Company Name]	Kabushiki Kaisha Kubota
[Company Name in English]	Kubota Corporation
[Title and Name of Representative]	Shingo Hanada, President and Representative Director, CEO
[Address of Head Office]	2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka, JAPAN (Note) Head Office is scheduled to relocate to the following address on May 1, 2026: 5-54, Ofuka-cho, Kita-ku, Osaka, JAPAN
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This is an English translation of the original Annual Securities Report (“Yukashoken Hokokusho”) filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (EDINET) pursuant to the Financial Instruments and Exchange Act of Japan.

The translations of the Independent Auditor’s Report (filed under the Financial Instruments and Exchange Act of Japan), the Confirmation Letter, and the Management’s Report on Internal Control over Financial Reporting for the original Annual Securities Report are included at the end of this document.

For the purposes of this Annual Securities Report, the “Company” refers to Kubota Corporation and its subsidiaries unless context indicates otherwise.

References in this document to the *Financial Instruments and Exchange Act of Japan* are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan.

Cautionary Statement 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; continued competitive pricing pressures in

the marketplace; and the Company's ability to continue to gain acceptance regarding its products.

1. Overview of the Company

1. Key Financial Data

Business term		136 th Business term	135 th Business term	134 th Business term	133 rd Business term	132 nd Business term
Fiscal year		December 2025	December 2024	December 2023	December 2022	December 2021
Revenue	(millions of yen)	3,018,891	3,016,281	3,020,711	2,676,980	2,196,766
Profit before income taxes	(millions of yen)	282,140	335,297	342,289	231,150	250,917
Profit attributable to owners of the parent	(millions of yen)	186,687	230,437	238,455	156,472	174,765
Comprehensive income attributable to owners of the parent	(millions of yen)	222,192	409,490	367,470	283,262	269,162
Equity attributable to owners of the parent	(millions of yen)	2,622,985	2,477,314	2,175,773	1,874,490	1,678,035
Total equity	(millions of yen)	2,873,024	2,739,766	2,416,067	2,102,488	1,785,109
Total assets	(millions of yen)	6,204,909	6,018,665	5,359,247	4,765,053	3,773,656
Equity attributable to owners of the parent per share	(yen)	2,306.80	2,155.29	1,851.75	1,576.30	1,398.47
Earnings per share attributable to owners of the parent:						
Basic	(yen)	163.44	197.61	201.74	131.06	144.80
Diluted	(yen)	—	—	—	—	—
Ratio of equity attributable to owners of the parent to total assets	(%)	42.3	41.2	40.6	39.3	44.5
Ratio of profit attributable to owners of the parent to equity attributable to owners of the parent	(%)	7.3	9.9	11.8	8.8	11.1
Price earnings ratio	(times)	13.56	9.31	10.52	13.89	17.55
Net cash provided by (used in) operating activities	(millions of yen)	327,901	282,084	(17,273)	(7,680)	92,511
Net cash used in investing activities	(millions of yen)	(163,726)	(208,879)	(173,441)	(318,499)	(127,370)
Net cash (used in) provided by financing activities	(millions of yen)	(184,462)	(26,276)	178,404	282,557	60,586
Cash and cash equivalents, at the end of the year	(millions of yen)	276,959	295,130	222,118	225,799	258,639
Number of employees (Average number of part-time employees)	(number of persons)	52,503 (14,090)	52,094 (14,120)	52,608 (12,924)	50,352 (12,213)	43,293 (3,356)

(Notes)

- Consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.
- Amounts less than presentation units are rounded.
- Earnings per share attributable to owners of the parent - Diluted* are not stated as Kubota Corporation did not have potentially dilutive common shares that were outstanding.
- In the year ended December 31, 2022, the Company has changed the measurement method of allowance for doubtful accounts for lease receivables, and the key financial data for the year ended December 31, 2021, has been retrospectively adjusted to reflect this change in the accounting policy.
- In the year ended December 31, 2023, the Company has adopted IFRS 17 *Insurance Contracts*. In addition, the provisional accounting for the acquisition of Escorts Limited (currently, Escorts Kubota Limited) in the year ended December 31, 2022, has been finalized. The key financial data for the year ended December 31, 2022, has been retrospectively adjusted for these effects.

2. History

Month / Year	History
Feb. 1890	Founder Gonshiro Kubota established Kubota Tekko-jo in Okuraato-cho, Minami-ku, Osaka, Japan and started manufacturing and sales of various cast metal products.
Jul. 1893	Started production of cast iron pipes for water supply.
Feb. 1922	Started production of compact engines for agro-industrial purposes.
Feb. 1927	Acquired Sumidagawa Seitetsuzyo K.K. and expanded the cast iron pipes business.
Dec. 1930	Established K.K. Kubota Tekko-jo and K.K. Kubota Tekko-jo Machinery Department.
Mar. 1937	Consolidated K.K. Kubota Tekko-jo Machinery Department with K.K. Kubota Tekko-jo.
Nov. 1937	Established Sakai Plant and started mass production of engines for agro-industrial purposes.
Oct. 1940	Established Mukogawa Plant and expanded the industrial machinery business, and started production of casting of centrifugal cast iron pipes the following October.
May 1949	Listed on the Tokyo Stock Exchange and Osaka Securities Exchange (integrated with Tokyo Stock Exchange in July 2013).
Aug. 1950	Adopted divisionalized organization by product.
Dec. 1952	Started production of pumps in Mukogawa Machinery Plant.
Jun. 1953	Changed corporate name to Kubota Tekko K.K.
Apr. 1954	Established a plant for vinyl pipes and started full production of plastic pipes.
Nov. 1957	Established Kubota Kenzai Kogyo K.K. and advanced into the housing materials business.
Dec. 1960	Established Funabashi Plant (relocated from Sumidagawa Plant) and completed a mass production system of cast iron pipes.
May 1961	Established Water Laboratory. Also established the Water Treatment Division for full-scale entry into the environmental improvement business the following December.
May 1962	Established Hirakata machinery Plant and Hirakata steel casting Plant and completed building an integrated system for industrial machinery and steel casting products.
Jan. 1967	Established Odawara Plant. Absorbed manufacturing sector of Kubota Kenzai Kogyo K.K. for full-scale entry into the housing materials business in June of the same year.
May 1969	Established Utsunomiya Plant and completed a mass production system of rice transplanters and reaper binders.
Jun. 1972	Absorbed Kanto Daikei Koukan K.K. Changed its name to Ichikawa Plant and continued to manufacture spiral welded steel pipes.
Sep. 1972	Established KUBOTA TRACTOR CORPORATION in the United States and strengthened the selling system of tractors in North America.
Sep. 1973	Established Kyuhoji Plant as a plant for precision equipment by relocating manufacturing facilities from Funademachi Plant.
Mar. 1974	Established Kubota Tractor Europe S.A. (currently, Kubota Europe S.A.S.) in France and strengthened the selling system for farm equipment in Europe.
Aug. 1975	Established Tsukuba Plant as a specialized mass production factory for tractors.
Nov. 1976	Listed on the New York Stock Exchange (delisted in July 2013).
Apr. 1980	Established Kashima Plant as a specialized factory for siding materials.
Jan. 1985	Established Sakai-Rinkai Plant in Sakai Plant as a specialized factory for engines.
Apr. 1990	Changed its corporate name to Kubota Corporation.
Oct. 2002	Established Hanshin Office as a hub for environmental engineering in the Kansai area.
Dec. 2003	Separated the housing materials business and Kubota Matsushitadenko Exterior Works, Ltd. (currently, KMEW Co., Ltd.), took over its business.
Aug. 2004	Acquired additional shares of The Siam Kubota Industry Co., Ltd. (currently, SIAM KUBOTA Corporation Co., Ltd.), which had been an affiliate in Thailand, to make it a consolidated subsidiary and strengthened development, manufacturing, and sales of farm equipment in Southeast Asia.
Apr. 2005	Established Kubota-C.I. Co., Ltd. by business integration of plastic pipes with C.I. Kasei Co., Ltd. (currently, Kubota ChemiX Co., Ltd.).

Month / Year	History
Sep. 2007	Established Siam Kubota Tractor Co., Ltd. (currently, SIAM KUBOTA Corporation Co., Ltd.) as a manufacturing base for tractors in Thailand.
Mar. 2012	Acquired ownership interest in Kverneland ASA (currently, Kverneland AS), a manufacturer of upland farming implements in Norway, and made it a consolidated subsidiary.
Dec. 2013	Established Kubota Farm Machinery Europe S.A.S. in France as a manufacturing base for upland farming tractors.
Jul. 2016	Acquired ownership interest in Great Plains Manufacturing, Inc., a manufacturer of implements in the United States, and made it a consolidated subsidiary.
Apr. 2022	Acquired ownership interest in Escorts Ltd. (currently, Escorts Kubota Ltd.), a manufacturer of tractors in India, and made it a consolidated subsidiary.
Sep. 2022	Established Kubota Global Institute of Technology aimed at promoting cooperation between research and development (R&D) bases worldwide and strengthening its R&D network.

3. Description of Business

The Company consists of Kubota Corporation and 207 affiliates (190 subsidiaries and 17 equity method affiliates) as of December 31, 2025, and provides a wide variety of products and services in the three reportable segments of Farm & Industrial Machinery, Water & Environment, and Other.

The Company prepares its consolidated financial statements in accordance with IFRS Accounting Standards, and subsidiaries and equity method affiliates included in the scope of consolidation are determined in accordance with IFRS Accounting Standards. The same applies to the scope of affiliates in sections 2. *Business Overview*, and 3. *Property, Plant, and Equipment*.

The businesses and roles of the Company by reportable segment are as follows:

(1) Farm & Industrial Machinery

Farm & Industrial Machinery is primarily engaged in the manufacture and sale of farm equipment, agricultural-related products, engines, and construction machinery.

1) Main Products

Farm equipment and agricultural-related products	Tractors, Power tillers, Combine harvesters, Rice transplanters, Turf equipment, Utility vehicles, Other agricultural machineries, Implements, Attachments, Post-harvest machineries, Vegetable production equipment, Intermediate management machines, Other equipment for agricultural use, Cooperative drying facilities, Rice seedling facilities, Rice mill plants, Gardening facilities, and Scales, Weighing and measuring control systems
Engines	Engines for farm equipment, construction machinery, industrial machinery, and generators
Construction machinery	Mini excavators, Wheel loaders, Compact track loaders, Skid steer loaders, and Other construction machinery-related products

2) Main Affiliates

Manufacturing and Sales

(Overseas) Kubota Manufacturing of America Corporation
Great Plains Manufacturing, Inc. and 16 subsidiaries
Kubota Farm Machinery Europe S.A.S.
Kubota Baumaschinen GmbH
Kverneland AS and 34 affiliates
Kubota Agricultural Machinery (SUZHOU) Co., Ltd.
SIAM KUBOTA Corporation Co., Ltd.
KUBOTA Engine (Thailand) Co., Ltd.
Escorts Kubota Ltd. and 8 affiliates

Sales and Services, etc.

(Domestic) 13 farm equipment sales companies, including Hokkaido Kubota Corporation
KUBOTA Construction Machinery Japan Corporation

(Overseas) Kubota North America Corporation
KUBOTA TRACTOR CORPORATION
Kubota Engine America Corporation
Kubota Canada Ltd.
Kubota Holdings Europe B.V.
Kubota Europe S.A.S.
Kubota (Deutschland) GmbH
Kubota (U.K.) Ltd.
Kubota Australia Pty Ltd.

Financial Leasing

- (Domestic) Kubota Credit Co., Ltd.
(Overseas) Kubota Credit Corporation, U.S.A.
Siam Kubota Leasing Co., Ltd.
Kubota China Financial Leasing Ltd.

(2) Water & Environment

Water & Environment is primarily engaged in the manufacture and sale of products related to pipe systems (ductile iron pipes, plastic pipes, and other products), industrial products (reformer and cracking tubes, spiral welded steel pipes, air-conditioning equipment, and other products), and environment (environmental control plants, pumps, and other products).

1) Main Products

Pipe system	Ductile iron pipes, Plastic pipes, Valves for public sector, Single stack drain fittings, and Design and construction of construction works
Industrial products	Reformer and cracking tubes, Hearth rolls, TXAX (friction materials), Spiral welded steel pipes (steel pipe piles, steel pipe sheet piles), and Air-conditioning equipment
Environment	Wastewater treatment equipment and plants, Pumps and plants, Membrane solutions, Water purification plants, Night-soil treatment plants, Waste incinerating and melting plants, Waste shredding and sorting plants, Flue gas desulfurization apparatus, Membrane methane fermentation plants, Wastewater treatment plant (Johkasou), and Valves for private sector

2) Main Affiliates

Manufacturing and Sales

- (Domestic) Kubota ChemiX Co., Ltd.
NIPPON PLASTIC INDUSTRY CO., LTD.
Kubota Air Conditioner Co., Ltd.
(Overseas) Kubota Materials Canada Corporation
Kubota Saudi Arabia Company, LLC

Operation, Maintenance, and Repair

- (Domestic) KUBOTA Environmental Engineering Corporation

Design and Construction

- (Domestic) Kubota Construction Co., Ltd.

(3) Other

Other primarily offers a variety of services.

1) Main Products

Other	Various services including logistics, and roofing and siding materials
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2) Main Affiliates

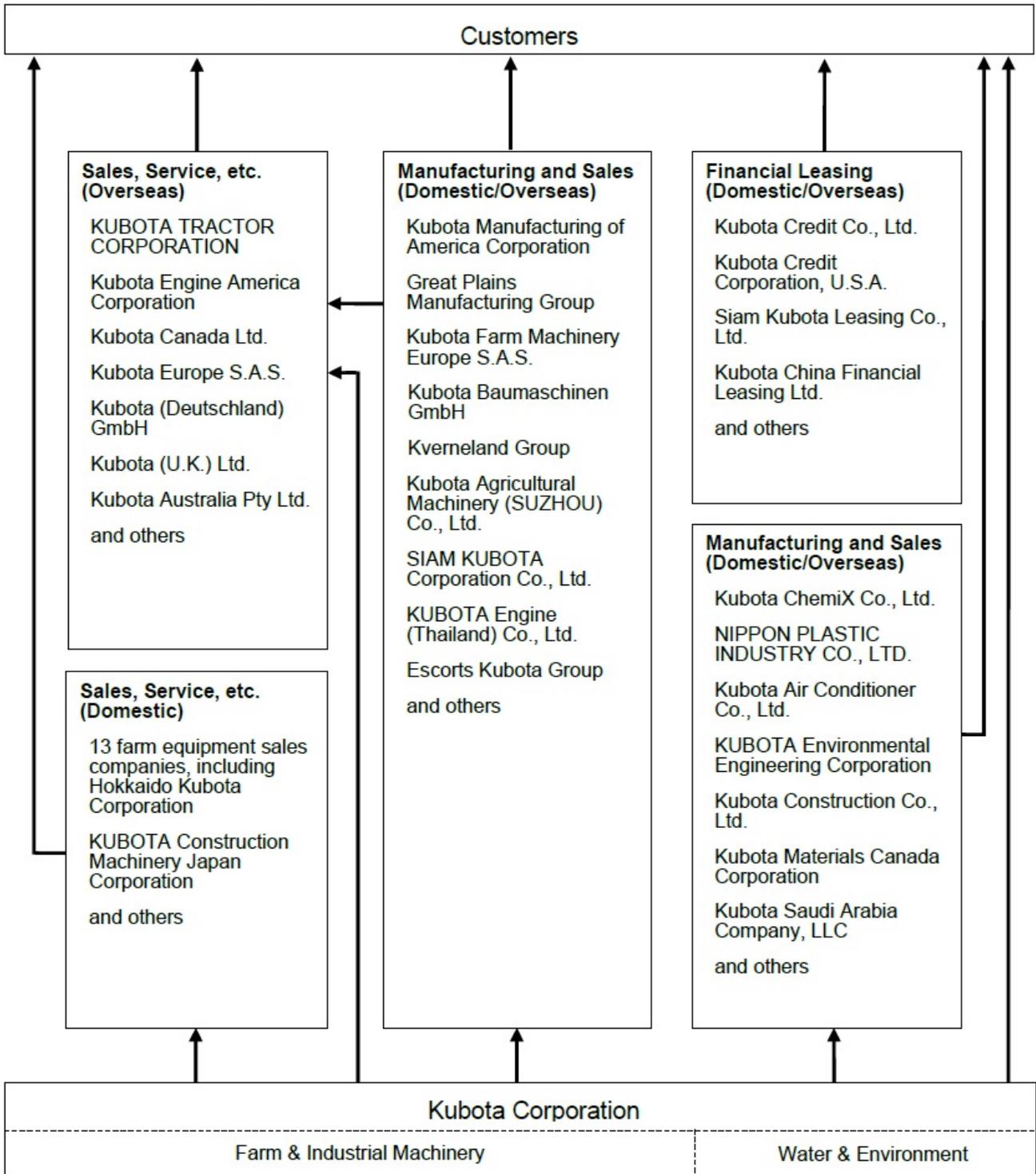
Manufacturing and Sales

- (Domestic) KMEW Co., Ltd.

Services

- (Domestic) KUBOTA LOGISTICS Corporation
(Overseas) Kubota China Holdings Co., Ltd.

(Business distribution diagram)



4. Information on Affiliates

(As of December 31, 2025)

Company name	Location	Common stock (millions of yen)	Principal business activities	Ownership	Relationship
				percentage of voting rights (%)	Business transaction, etc.
Subsidiaries					
6 domestic farm equipment sales companies, including Hokkaido Kubota Corporation	Nishi-ku, Sapporo, JAPAN, etc.	100	Sales of farm equipment, etc.	82.5	Lease of facilities from Kubota Corporation, and sales of Kubota Corporation's products
KUBOTA Construction Machinery Japan Corporation	Naniwa-ku, Osaka, JAPAN	300	Sales of construction machinery, etc.	100.0	Lease of facilities from Kubota Corporation, and sales of Kubota Corporation's products
Kubota Credit Co., Ltd.	Naniwa-ku, Osaka, JAPAN	500	Retail financing for farm equipment and related products	(22.9) 77.8	Loans from Kubota Corporation, lease of facilities from Kubota Corporation, credit guarantees, and interlocking directors
Kubota Machinery Trading Co., Ltd.	Naniwa-ku, Osaka, JAPAN	30	Export and import of components for farm equipment, engines, and construction machinery	100.0	Loans from Kubota Corporation, lease of facilities from Kubota Corporation, material supplies to Kubota Corporation, and interlocking directors
Kubota Engine Japan Corporation	Naniwa-ku, Osaka, JAPAN	310	Sales, service, and engineering of industrial engines	100.0	Lease of facilities from Kubota Corporation and sales of Kubota Corporation's products
Kubota North America Corporation (Note 2)	Delaware, USA	(thousands of USD) 597,100	Administration of North American Farm & Industrial Machinery business	100.0	Interlocking directors
KUBOTA TRACTOR CORPORATION (Note 2) (Note 3)	Texas, USA	(thousands of USD) 37,000	Sales of tractors, outdoor power equipment, construction machinery, and implements	(100.0) 100.0	Sales of Kubota Corporation's products and interlocking directors
Kubota Credit Corporation, U.S.A.	Texas, USA	(thousands of USD) 8,000	Retail financing for tractors, outdoor power equipment, construction machinery, and implements	(90.0) 100.0	Interlocking directors
Kubota Manufacturing of America Corporation	Georgia, USA	(thousands of USD) 80,900	Manufacturing of tractors, outdoor power equipment, construction machinery, and implements	(100.0) 100.0	Interlocking directors
Kubota Engine America Corporation	Illinois, USA	(thousands of USD) 10,000	Sales, engineering, and after-sales service of engines, engine parts, and engine accessories	(100.0) 100.0	Sales of Kubota Corporation's products
Kubota Insurance Corporation	Hawaii, USA	(thousands of USD) 2,000	Underwriting non-life insurance in the United States	(100.0) 100.0	Interlocking directors
Great Plains Manufacturing, Inc. and 16 subsidiaries	Kansas, USA	(thousands of USD) 90	Manufacturing and sales of implements and construction machinery	(100.0) 100.0	Interlocking directors
Kubota Research & Development North America Corporation (Note 2)	Georgia, USA	(thousands of USD) 90,000	Development of outdoor power equipment and implements	(100.0) 100.0	Commissioned research services from Kubota Corporation and interlocking directors
Kubota Canada Ltd.	Ontario, CANADA	(thousands of CAD) 6,000	Sales of tractors, outdoor power equipment, construction machinery, and implements	100.0	Sales of Kubota Corporation's products and interlocking directors
Kubota Holdings Europe B.V. (Note 2)	Noord-Holland, NETHERLANDS	(thousands of EUR) 532,788	Administration of European Farm & Industrial Machinery business	100.0	Interlocking directors
Kubota Europe S.A.S.	Val-d'Oise, FRANCE	(thousands of EUR) 11,167	Sales of construction machinery, tractors, outdoor power equipment, and engines	(100.0) 100.0	Sales of Kubota Corporation's products
Kubota Farm Machinery Europe S.A.S.	Nord, FRANCE	(thousands of EUR) 57,000	Manufacturing of upland farming tractors	(100.0) 100.0	

(As of December 31, 2025)

Company name	Location	Common stock (millions of yen)	Principal business activities	Ownership	Relationship
				percentage of voting rights (%)	Business transaction, etc.
Kubota Baumaschinen GmbH	Rhineland-Palatinate, GERMANY	(thousands of EUR) 14,316	Manufacturing and sales of construction machinery	(100.0) 100.0	Purchase of Kubota Corporation's products
Kubota (Deutschland) GmbH	Hessen, GERMANY	(thousands of EUR) 3,579	Sales of tractors, outdoor power equipment, and engines	(100.0) 100.0	Sales of Kubota Corporation's products, and interlocking directors
Kubota (U.K.) Ltd.	Oxfordshire, UNITED KINGDOM	(thousands of GBP) 2,000	Sales of construction machinery, tractors, outdoor power equipment, and engines	(100.0) 100.0	Sales of Kubota Corporation's products
Kverneland AS and 34 subsidiaries	Rogaland, NORWAY	(thousands of EUR) 53,090	Manufacturing and sales of implements	(100.0) 100.0	Interlocking directors
Kubota Brabender Technologie GmbH and 2 subsidiaries	North Rhine-Westphalia, GERMANY	(thousands of EUR) 3,000	Manufacturing and sales of gravimetric feeders	(100.0) 100.0	
SIAM KUBOTA Corporation Co., Ltd. (Note 2)	Pathumthani, THAILAND	(thousands of THB) 2,739,000	Manufacturing and sales of tractors, combine harvesters, implements, and horizontal type diesel engines. Sales of construction machinery	60.0	Purchase of Kubota Corporation's products and interlocking directors
Siam Kubota Leasing Co., Ltd.	Pathumthani, THAILAND	(thousands of THB) 2,625,000	Retail financing for tractors and combine harvesters, etc.	(100.0) 100.0	Interlocking directors
KUBOTA Engine (Thailand) Co., Ltd.	Chachoengsao, THAILAND	(thousands of THB) 1,400,000	Manufacturing of vertical type diesel engines	100.0	Interlocking directors
Escorts Kubota Ltd. and 6 subsidiaries (Note 5)	Haryana, INDIA	(thousands of INR) 1,118,778	Manufacturing and sales of tractors, construction machinery, and other products	55.0	Interlocking directors
Kubota Agricultural Machinery (SUZHOU) Co., Ltd.	Jiangsu, CHINA	(thousands of CNY) 170,999	Manufacturing and sales of combine harvesters, rice transplanters, and tractors	(100.0) 100.0	Interlocking directors
Kubota Construction Machinery (Wuxi) Co., Ltd.	Jiangsu, CHINA	(thousands of CNY) 289,035	Manufacturing of construction machinery	(100.0) 100.0	Interlocking directors
Kubota China Financial Leasing Ltd.	Shanghai, CHINA	(thousands of CNY) 529,302	Finance leasing for construction machinery and farm equipment, and factoring service	(100.0) 100.0	Interlocking directors
Kubota Korea Co., Ltd.	Seoul, KOREA	(thousands of KRW) 200,000	Sales of tractors, combine harvesters, rice transplanters, construction machinery, and engines	100.0	Sales of Kubota Corporation's products
Kubota Myanmar Co., Ltd.	Yangon, MYANMAR	(thousands of USD) 23,800	Sales of combine harvesters and tractors	(20.0) 100.0	Sales of Kubota Corporation's products and interlocking directors
Kubota Australia Pty Ltd.	Victoria, AUSTRALIA	(thousands of AUD) 21,000	Sales of tractors, outdoor power equipment, construction machinery, and engines	100.0	Sales of Kubota Corporation's products
Kubota ChemiX Co., Ltd.	Amagasaki-shi, Hyogo, JAPAN	3,198	Manufacturing and sales of plastic pipes and fittings	100.0	Loans from Kubota Corporation, lease of facilities from Kubota Corporation, and interlocking directors
KUBOTA Environmental Engineering Corporation	Chuo-ku, Tokyo, JAPAN	400	Design, manufacturing, construction, repair, operation, and maintenance of various environmental equipment and plants	100.0	Lease of facilities from Kubota Corporation; maintenance, remodeling and repair of facilities constructed by Kubota Corporation; and interlocking directors
NIPPON PLASTIC INDUSTRY CO., LTD.	Komaki-shi, Aichi, JAPAN	175	Manufacturing and sales of plastic products	(67.0) 67.0	Lease of facilities from Kubota Corporation
Kubota Construction Co., Ltd.	Naniwa-ku, Osaka, JAPAN	400	Design and construction of water and sewage, civil engineering	100.0	Lease of facilities from Kubota Corporation, contracting and construction of Kubota Corporation's works, and interlocking directors

(As of December 31, 2025)

Company name	Location	Common stock (millions of yen)	Principal business activities	Ownership percentage of voting rights (%)	Relationship
					Business transaction, etc.
Kubota Air Conditioner Co., Ltd.	Chuo-ku, Tokyo, JAPAN	400	Manufacturing, sales, and maintenance of air conditioning equipment for industrial use	100.0	Lease of facilities from Kubota Corporation
Kubota Materials Canada Corporation	Ontario, CANADA	(thousands of CAD) 15,000	Manufacturing and sales of cast steel products and TXAX products	100.0	Purchase of Kubota Corporation's products
Kubota Saudi Arabia Company, LLC	Ash Sharqiyah, SAUDI ARABIA	(thousands of SAR) 56,250	Manufacturing and sales of steel casting products, sales and maintenance of valves	100.0	Purchase of Kubota Corporation's products
KUBOTA LOGISTICS Corporation	Naniwa-ku, Osaka, JAPAN	75	Management of logistics and logistics information service related to transportation, storage, cargo handling, and distribution processing	100.0	Lease of facilities from Kubota Corporation, and transportation and storage of Kubota Corporation's products
Heiwa Kanzai CO., LTD.(Note 4)	Chuo-ku, Tokyo, JAPAN	50	Building maintenance, security guarding, and facility management	60.0	Lease of facilities from Kubota Corporation and contracting on building maintenance of Kubota Corporation
Kubota China Holdings Co., Ltd. (Note 2)	Shanghai, CHINA	(thousands of CNY) 1,710,478	Administration of subsidiaries in China	100.0	Interlocking directors
85 other companies					
Equity method affiliates					
7 domestic farm equipment sales companies, including Akita Kubota Corporation	Akita-shi, Akita, JAPAN, etc.	60	Sales of farm equipment, etc.	35.7	Lease of facilities from Kubota Corporation and sales of Kubota Corporation's products
KMEW Co., Ltd.	Chuo-ku, Osaka, JAPAN	8,000	Manufacturing and sales of roofing, siding materials, and rain gutters	50.0	Lease of facilities from Kubota Corporation and interlocking directors
9 other companies					

(Notes)

- Figures in parentheses in *Ownership percentage of voting rights* column represent the indirect ownership included in the total.
- Specified companies under the Financial Instruments and Exchange Act of Japan.
- Revenue of KUBOTA TRACTOR CORPORATION (excluding intercompany transfers) exceeded 10% of total consolidated revenue of the Company. Its key financial information is as follows: revenue, income before income taxes and net income of ¥826,514 million, ¥18,893 million and ¥13,940 million, respectively, for the year ended December 31, 2025, and total equity and total assets of ¥288,710 million and ¥723,030 million, respectively, as of December 31, 2025.
- The Company transferred all of the shares it held in Heiwa Kanzai CO., LTD. to ALSOK CO., LTD on March 2, 2026.
- With respect to the resolution adopted on February 12, 2026, the Boards of Directors of the Company and Escorts Kubota Ltd. have decided to execute a capital increase for Escorts Kubota Finance Ltd., a subsidiary of Escorts Kubota Ltd., and, upon completion of this capital increase, the company is expected to become a specified subsidiary by the end of December 2027.

5. Employees

(1) Consolidated basis

(As of December 31, 2025)

Reportable segment	Number of employees	
Farm & Industrial Machinery	41,342	(13,637)
Water & Environment	8,379	(230)
Other	1,379	(223)
Corporate	1,403	(—)
Total	52,503	(14,090)

(Notes)

- The *number of employees* refers solely to full-time employees of the Company on a consolidated basis, and the annual average number of part-time employees is shown in parentheses.
- From the year ended December 31, 2025, following a realignment of reportable segments based on internal organizational structure, certain figures previously included in the *Corporate* segment have been allocated to the respective reportable segments.

(2) Kubota Corporation

(As of December 31, 2025)

Number of employees	Average age	Average length of service	Average annual salary
15,897	39.9	14.3 years	¥ 8,609,216

Reportable segment	Number of employees
Farm & Industrial Machinery	11,569
Water & Environment	3,017
Corporate	1,311
Total	15,897

(Notes)

- The *number of employees* refers to full-time employees of Kubota Corporation.
- Average annual salary* includes bonuses and extra wages.

(3) Relationship with labor unions

The relationship between management and labor unions is stable, and there are no special matters to be stated.

(4) Percentage of female employees in managerial positions, percentage of male employees taking childcare leave, and wage gap between male and female employees

a) Kubota Corporation

(As of December 31, 2025)

Percentage of female employees in managerial positions (%) (Note 1)	Percentage of male employees taking childcare leave (%) (Note 2)	Wage gap between male and female employees (%) (Note 1) (Note 3) (Note 4)			Note
		All employees	Permanent employees	Part-time or fixed-term employees	
5.1	92.3	81.1	80.5	79.5	

(Notes)

- The *percentage of female employees in managerial positions* is calculated in accordance with the provisions of Japan's "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64 of 2015).
- The *percentage of employees taking childcare leave*, as stipulated in Article 71-6 of Japan's "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of the Ministry of Labor No. 25 of 1991), is calculated in accordance with the provisions of Japan's "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Act No. 76 of 1991).
- There is no wage gap between male and female permanent employees in the same grade since the grade system and wage structure are uniform. Wage gap between male and female is primarily due to the higher proportion of men in managerial positions compared to women.
- For part-time or fixed-term employees, the wage gap is due to the inclusion of those with specific labor contracts that have higher wage levels and a higher percentage of men. There is no differentiation by gender.

b) Subsidiaries

(As of December 31, 2025)

Company name	Percentage of female employees in managerial positions (%) (Note 1)	Percentage of male employees taking childcare leave (%) (Note 2)	Wage gap between male and female employees (%) (Note 1)			Note
			All employees	Permanent employees	Part-time or fixed-term employees	
Kubota Credit Co., Ltd.	22.0	100.0	68.5	63.3	66.0	
Kubota ChemiX Co., Ltd.	1.5	85.7	76.4	74.4	86.4	
Kubota Environmental Engineering Corporation	2.2	79.5	71.1	81.4	40.1	
Hokkaido Kubota Corporation	7.5	7.7	75.8	75.8	—	3
Michinoku Kubota Corporation	1.2	46.2	78.3	78.7	76.1	
Kanto Koushin Kubota Corporation	14.2	40.0	70.4	73.0	57.0	
TokaiKinki Kubota Corporation	2.2	55.6	69.2	68.3	81.2	
ChuShikoku Kubota Corporation	0.5	100.0	69.2	68.9	76.4	
Minami Kyushu Okinawa Kubota Corporation	6.5	12.5	69.8	74.0	41.0	
Kubota Design Corporation	32.7	—	89.9	89.9	—	3, 4
Kubota Agri Service Corporation	0.0	27.3	75.5	77.1	52.9	
KUBOTA Construction Machinery Japan Corporation	16.8	75.0	75.2	75.9	62.6	
Kubota Keiso Corporation	8.3	100.0	81.9	81.5	93.0	
Kubota Construction Co., Ltd.	2.1	16.7	57.9	59.2	44.1	
Kubota Inclusion Works Co., Ltd.	50.0	100.0	110.7	118.5	40.7	
KUBOTA LOGISTICS Corporation	1.4	88.9	64.4	69.7	32.1	
KUBOTA EIGHT Corporation	7.8	0.0	70.4	75.9	53.2	
Heiwa Kanzai CO., LTD.	2.3	100.0	53.7	95.7	41.7	5
Kubota Air Conditioner Co., Ltd.	33.3	90.0	81.6	81.1	—	3

(Notes)

1. The *percentage of female employees in managerial positions* is calculated in accordance with the provisions of Japan's "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64 of 2015).
2. The *percentage of employees taking childcare leave*, as stipulated in Article 71-6 of Japan's "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of the Ministry of Labor No. 25 of 1991), is calculated in accordance with the provisions of Japan's "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Act No. 76 of 1991).
3. A dash (-) in the *wage gap between male and female employees* indicates that the percentage cannot be calculated since all applicable employees are male or female, or there are no applicable employees.
4. A dash (-) in the *percentage of male employees taking childcare leave* indicates that there are no eligible employees.
5. The Company transferred all of the shares it held in Heiwa Kanzai CO., LTD. to ALSOK CO., LTD on March 2, 2026.

2. Business Overview

1. Business Issues to Address

The following is a summary of business issues of the Company to address.

Forward-looking statements contained in this section are made based on the assumptions and judgments of the Company as of December 31, 2025.

The Company strives to become a Global Major Brand (hereinafter, "GMB"), or in other words, a brand that can make the greatest social contribution as a result of being trusted by the largest number of customers.

In order to accelerate the realization of GMB, the Company is committed to be "An "Essentials Innovator for Supporting Life," Committed to a Prosperous Society and Cycle of Nature" in the long-term vision for 2030, "GMB2030." Regarding the Company's unique ESG (Environmental, Social, Governance) conscious management (hereinafter, "K-ESG management"), which is defined as "creating corporate value that combines social value and economic value achieved by solving social issues through our business," the Company will continue to prioritize themes in response to environmental changes. The Company will advance sustainable initiatives by focusing on critical and highly common themes that underpin the business, such as climate change initiatives, strengthening human capital, enhancing corporate governance, and risk management.

(1) Business Environment of the Company

1) Recognition of the External Environment

The domestic market is seeing increasing investment interest among farmers driven by rising rice prices, along with growing public interest in agriculture. Additionally, with the government formulating a new First Medium-Term Plan for National Resilience against issues such as aging social infrastructure including water and sewage systems, the business environment is favorable for Farm & Industrial Machinery and Water & Environment businesses of the Company.

Overseas markets hold significant potential across the fields of "food, water, and the environment"; although there are short-term challenges such as tariff by the United States, the Company believe they are very resilient over the Mid-Term. Particularly, the Company has strong expectations for economic recovery in Europe and the growth of the Indian market.

Furthermore, the use of Artificial Intelligence (AI) and Information and Communications Technology (ICT) will remain a key trend throughout the new Mid-Term Business Plan period, which is from 2026 to 2030. It is essential to address all potential needs, including labor shortages, across the fields of "food, water, and the environment".

2) Current State of the Company

During the period of the previous Mid-Term Business Plan, which is from 2021 to 2025, revenue increased significantly, however the operating profit margin has been on a downward trend. This is primarily due to declining competitiveness of products and businesses, as well as persistently high fixed costs. In terms of asset efficiency, growth investments, capital expenditure, information technology (IT) investments, and research and development (R&D) investments, remained at high levels resulting in overall free cash flow at a low level. Furthermore, a major challenge is that the Company is not sufficiently generating solution businesses that meet societal demands, and even within existing business areas, the creation of hit products has become scarce.

To break through this current situation, the Company will implement qualitative improvements in management by shifting from a traditional volume-focused approach to profitability and capital efficiency-driven approach, and to achieve sustainable growth in corporate value, the Company will primarily advance the following initiatives.

(2) Going Forward

To achieve the goals of the new Mid-Term Business Plan, the Company must commit the combined strength of the group. Through new organizational management, the Company will fully utilize domestic and overseas management resources to become a global company that is unique to Kubota, focusing on both Farm & Industrial Machinery and Water & Environment businesses.

1) Company-wide Management System Reform

The Company is developing an organizational structure capable of operating the Farm & Industrial Machinery and Water & Environment businesses in ways suited to their respective characteristics. Particularly in Farm & Industrial Machinery, operational inefficiencies and complex decision-making processes stemming from overlapping functions between business divisions and headquarters departments were key challenges. Significant organizational restructuring will be implemented, transitioning to a structure enabling efficient business operations and rapid decision-making to accelerate business growth.

In Water & Environmental, the in-house company was established in January 2025 to transfer authority and establish a

structure capable of independent operation. The effects of this are steadily emerging, and the foundation for business growth is beginning to take shape.

On the other hand, it is also necessary to leverage governance at the group level. The Chief Officer system introduced in January 2026 aims to ensure responsible execution of initiatives designed to provide cross-functional support to each business from a group-wide management perspective, while also accelerating decision-making. Each Chief Officer will assume global responsibility for the Farm & Industrial Machinery and the Water & Environment businesses and will implement their respective initiatives.

2) Ambidextrous Management

In the ambidextrous management, it is crucial to pursue both the “exploitation of existing businesses” and the “exploration of new ventures.” Recent growth in revenue has been supported by exchange rate effects and the impact of price increases in the Farm & Industrial Machinery business. Water and Environment also need to promote further growth. For the overall growth of the Company, it is essential to expand growth businesses within existing businesses, but there is also a need to fully commit to exploring new business opportunities. The Company will enhance training programs for employees to learn methodologies for exploring new business opportunities, foster a culture that embraces new challenges, acquire businesses through mergers and acquisitions (M&A), and pursue new business development through the newly established Agri Solutions Division. Through these initiatives, the Company aims to increase added value and restore earning power.

3) Efficient Use of Cash

The focus of capital expenditures during the period of the previous Mid-Term Business Plan has been on business continuity planning (BCP), manufacturing capacity expansion, and other initiatives which have become a financial strain as fixed costs. These were important investments that laid the foundation for future business growth, but their control was insufficient. Going forward, to achieve the financial targets of the new Mid-Term Business Plan, the Company will strictly control the balance between business maintenance investments and growth investments while being mindful of optimal allocation across the entire Company.

4) Reviewing Operations Through AI Utilization and Digital Transformation (DX)

The use of AI will significantly determine future competitiveness of the Company. While individual improvement initiatives have already progressed in routine tasks, the Company aims to pursue comprehensive business transformation across the entire group by enhancing improvement capabilities beyond routine tasks and strengthening proposal capabilities.

(3) The Vision of Each Business

1) Farm & Industrial Machinery: “Big Work with Smaller Machines”

At its core lies the aspiration to achieve greater results with smaller products than competitors. The Company aims to realize this by fully leveraging technologies like IT and AI, enabling anyone to easily perform higher-performance tasks with smaller machinery. While continuing efforts in alternative power sources such as electric and hydrogen, the Company expects demand for diesel engines to remain strong going forward, and has positioned three existing businesses of construction machinery business, India-origin business, and lifecycle support business as pillars of growth.

2) Water & Environment: “To contribute to the building of resilient social infrastructure through solutions centered on products and technologies”

By providing solutions centered on products and technologies, the Company will support the strengthening and optimization of social and industrial infrastructure and contribute to solving societal challenges through business activities. To that end, the Company will strengthen its products, engineering, and services in existing core businesses while intensifying efforts in growth areas. In growth areas, efforts will be intensified with a focus on expanding water cycle solutions and resource cycle solutions, deploying technologies related to carbon neutrality, and expanding overseas operations.

The Company has significant intangible assets, knowledge, expertise, and data accumulated over years supporting social infrastructure both above and below ground. Building on the existing businesses and leveraging those assets, the Company will continue to evolve, aiming to provide new total solution platforms for society and for customers. Moving forward, the Company will actively drive corporate culture transformation guided by the spirit of “On Your Side.” The goal is to establish an open and inclusive environment where diverse talents can thrive and take on challenges, and to build upon

this foundation to create a corporate culture that embodies a truly global company that is unique to Kubota.

2. Sustainability Approach and Initiatives

Forward-looking statements contained in this section are made based on the assumptions and judgments of the Company as of December 31, 2025.

(1) Sustainability in General

1) Basic approach and strategies

In the corporate philosophy, Kubota Global Identity (hereinafter, "KGI"), the Company has adopted the brand statement "For Earth, For Life" and promises to continue supporting the prosperous life of humans while protecting the environment of this beautiful earth. In order to realize KGI, the Company aims to become "Global Major Brand Kubota" (hereinafter, "GMB Kubota") and have set forth the long-term vision GMB2030 as the vision for the year 2030.

Under GMB2030, the Company is committed to becoming an "Essentials Innovator for Supporting Life", that is, the Company is committed to ensuring both the sustainability of the global environment and human society, as well as the sustainability of the Company; specifically, development of new solutions in the areas of food, water, and environment, as well as expansion of existing businesses and further adaptation to society. In addition, the Company is promoting ESG management to strengthen the management foundation that drives and supports the development of these businesses.

2) Governance and risk management

a) Structure

The Board of Directors, the Management Committee and its advisory bodies, the Human Resources Strategy Committee and the Risk Management Committee, review and decide on the goals, measures, and progress of important ESG themes.

For details, refer to 4. *Corporate Governance (1) Corporate Governance*.

b) Linkage with the executive remuneration

The Company has a remuneration system that links ESG themes with the executive remuneration. 20% of the annual bonus portion of the executive remuneration is determined by a K-ESG evaluation and fluctuates between 0% and 200% of the standard amount depending on the degree of target achievement.

For details, refer to 4. *Corporate Governance (4) Remuneration of Directors and Senior Management*.

c) Key ESG themes, metrics and targets

In the Mid-Term Business Plan commencing in 2026, the Company positions ESG management as "A robust global foundation to support future growth" and addresses "Climate change", "Human capital", "Corporate governance" and "Risk management" as key ESG themes. The indicators and targets for the key ESG themes are as follows.

Key ESG theme	Metrics	Targets
Climate change	Emissions in Scopes 1, 2	389 thousand tons (50% reduction from 2014)
Human capital	Proportion of female managers	7%
	Employee engagement score	60
Corporate Governance	Effectiveness of the Board of Directors	Continuous improvement of corporate governance through the proper functioning of monitoring by the Board of Directors and execution by management.
Risk management	Establishment of an overseas compliance system	Establishment of necessary systems and functions in each region

(2) Human Capital

1) Basic approach

To realize GMB2030, it is essential for the Company to both expand existing businesses and create new solutions, thereby achieving sustainable growth and improved profitability. The driving force behind this is a strong and resilient organization and a diverse, self-directed workforce.

Grounded in our Genba-focused approach and the spirit of "On Your Side," the Company is advancing initiatives to enhance the quality of the human capital and foster a corporate culture that encourages challenge to respond to the increasing sophistication and globalization of the business environment. To this end, the Company has established "Strengthening the organization," "Strengthening the individual," and "Promotion of Health Management" as our core policies, and through the growth of the people and the strengthening of organizational execution capabilities, the Company

will support business growth and enhance corporate value.

2) Human capital strategy

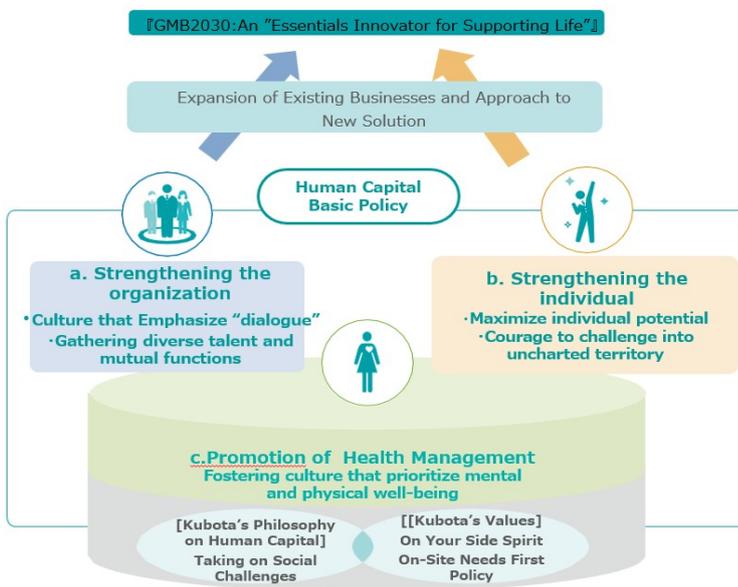
Human capital strategy is formulated in alignment with the management strategy and aims to strengthen the human capital foundation that supports business growth and improved profitability. Specifically, in line with the management policies of strategic allocation of management resources, balance sheet-conscious financial management, and the development of a robust global foundation to support future growth, the Company is advancing the enhancement of organizational capability and human capital from a human capital perspective.

The Company has established strategic and policy frameworks corresponding to each of core policies—Strengthening the organization, Strengthening the individual, and Promotion of Health Management, and implementing them through defined Key Performance Indicators (KPIs) and specific initiatives.

a) Human Capital Basic Policy

Basic Policy	Summary
I. Strengthening the organization	New value is created by bringing together and connecting diverse human resources, which in turn becomes a source of innovation and sustainability. The Company believes that building a corporate culture that emphasizes "dialogue" and drawing out individual abilities is the key to achieve strengthening the organization.
II. Strengthening the individual	Each individual must take on the challenge of resolving issues in uncharted areas, and to do so, each individual must have strong thoughts and aspirations and demonstrate his or her individual strengths.
III. Promotion of Health Management	In order for the Company to continue to create solutions needed by society, the physical and mental health of employees, who are the driving force of the Company's operations, is essential. The Company's human capital strategy is supported by fostering a culture that values the health of its employees, maintaining the physical and mental health of each individual, and creating a workplace where employees can continue to work with vitality.

Relationship between GMB2030 and human capital



b) Strategies for basic policy and approaches to measures

The Company has established strategies and approaches to measures for the three basic policies, I. Strengthening the organization, II. Strengthening the individual, and III. Promotion of Health Management, and is promoting efforts in these areas.

Strategies for basic policies and approaches to measures

Basic policy	INPUT		OUTPUT	OUTCOME	
	Strategy	Approach			
Strengthening the organization ·Culture that emphasize "dialogue" ·Gathering diverse talent and mutual functions	Building a corporate culture that emphasizes "dialogue" that maximizes the value of human resources while acquiring diverse human resources and respecting their individuality	encourage managers to engage with each team member individually and to understand and with each other's thoughts and feelings. Promote co-creation and emergence of innovative ideas by foresting diverse talent pool within highly productive and flexible work environment.	E x b u p a n s i o n s i s e n s e w o f e x p r i s t a n g o f / A u t p r o n s o l u t i o n	S u p p o r t i n g I n n o v a t i o n A n d P e r f o r m a n c e E n h a n c e m e n t L i f e	G l o b a l K u b o t a M a j o r B r a n d
Strengthening the individual ·Maximize individual potential ·Courage to challenge into uncharted territory	Strategic and systematic development investments to provide growth opportunities for individuals motivated to take on challenges Supporting autonomous career development that prioritizes employees' sense of purpose	Strategically and systematically identify and cultivate candidates for future managerial talent Proactively invest in individuals who are eager to take on challenges Fully support employees' autonomous career development by considering their business aspirations and responsibilities			
Promotion of Health Management Fostering culture that prioritize mental and physical well-being	Build an investment cycle for effective health policies through data analysis based on the health management strategy map	Starting from improving health literacy, promote appropriate healthcare-seeking behavior and preventive activities			

[Strategy]

I. Strengthening the organization (Policy for Internal Environment Development)

- Acquire diverse human resources, respect their individuality, and build a corporate culture that emphasizes "dialogue" to maximize the value of human resources.
-

The Company promotes "Strengthening the organization" as a pillar of the human capital strategy. Recognizing different values and ways of thinking, and making the most of diverse personalities leads to innovation. Thus, leveraging diversity is an important perspective for the sustainable global growth of an organization. In addition, the Company is developing DEI strategy with "dialogue" as the key word. Active "dialogue" among employees with diverse personalities and diverse opinions will generate new ideas and find new approaches to existing issues. The organizational culture that emphasizes "dialogue" to maximize the value of human resources creates an environment in which individual abilities, experiences, and ways of thinking are recognized, and in which everyone's strengths can be further demonstrated. In addition, by enhancing employee engagement and promoting job rotations and internal recruitment, we are achieving optimal talent placement and maximizing the capabilities of our people, thereby improving productivity. Through these efforts, we support improvements in capital efficiency and profitability from the human capital perspective.

II. Strengthening the Individual (Human Resource Development Policy)

- Provide growth opportunities for human resources who are willing to take on challenges through strategic and systematic investment in training.
 - Support for autonomous career development, valuing employees' thoughts and aspirations
-

The Company emphasizes "Thoughts and aspirations" as a pillar of its human capital strategy. Individual growth of the Company is indispensable for the realization of GMB2030, and the foundation for individual growth is the thoughts and aspirations of each and every individual. The goal is to create an environment in which employees can realize their thoughts and aspirations autonomously, and to create an organization in which each individual's Thoughts and aspirations become the driving force for the growth of both the individual and the organization.

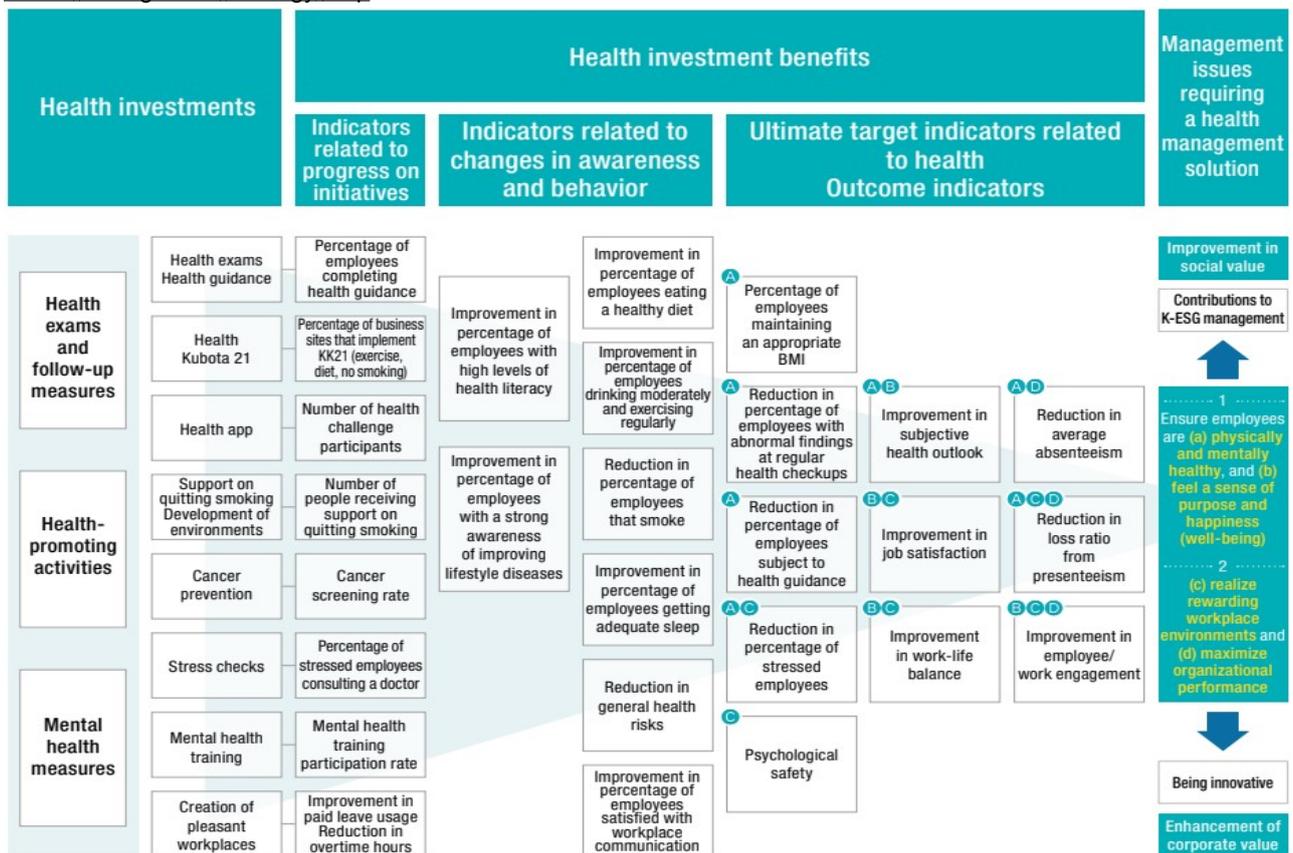
The Company will continue to actively support each employee so that they can face themselves and think about their careers in an autonomous manner. The Company will also focus on investing in the development of employees who are willing to take on challenges to broaden their perspectives and achieve personal growth. Furthermore, the Company will develop human resources who can create value as a team by developing and maximizing their strengths, while increasing the engagement of everyone. In addition, through the enhancement of our succession planning and the expansion of opportunities for challenge, we are developing talent who will lead future management and drive new value creation. Through these efforts, we are strengthening our management foundation and building a global talent base that supports future growth.

III. Promotion of Health Management (Policy for Internal Environment Development)

- Build an investment cycle for effective health measures in human capital through data analysis based on the Health Management Strategy Map.

The Company promotes health management as the foundation of its human capital strategy. The core of the strategy is data analysis based on the "Health Management Strategy Map." Through multivariate analysis of health checkup data, working hour data, and "KPI indicators" obtained from various surveys, the Company is building an investment cycle for effective health measures, while digging deeper into the factors that promote or inhibit physical and mental health and performance. Healthy employees increase the "creativity" and "productivity" of the organization and contribute to overall performance. This approach is closely linked to K-ESG management and leads to sustainable growth of the Company.

Health Management Strategy Map



[Approach to Measures]

I. Strengthening the organization

- Managers confront each member individually and implement measures to understand and sympathize with each other's thoughts and perspectives.
- Promote co-creation and emergence in a diverse group of human resources and highly productive and flexible work styles.

The presence of managers is essential to building a culture that emphasizes "dialogue." Through one-on-one meetings and daily dialogue, understanding and empathizing with aspirations of each member and providing maximum support for those aspirations will increase the engagement of each individual and draw out the value of diverse human resources. In addition, to ensure that each and every employee with various attributes and personalities, including gender, nationality, age, experience, and values, can work with enthusiasm, the Company will provide a place where diverse human resources can play an active role, including the development of systems that facilitate work according to the situation.

II. Strengthening the Individual

- Strategically and systematically identify and develop candidates for future management personnel.
 - Actively investment in personnel with a spirit of challenge.
 - Support employees' autonomous careers to the fullest extent possible by accepting their aspirations that they wish to realize in their business and duties.
-

In order for the Company to expand existing businesses and develop new solutions in the future, it is necessary to systematically train management personnel and actively invest in personnel who are willing to take on new challenges, and to develop personnel who are flexible to change and diverse. Additionally, it is important to ensure that each individual's aspirations are acknowledged and to hold extensive dialogue between managers and team members regarding the career they wish to realize in their business and duties. This will lead to maximizing employees' aspirations and linking them to action, which is the shortest way to realize the future vision of the Company.

III. Promotion of Health Management

- Promote appropriate medical treatment behavior and preventive activities, based on the improvement of health literacy
-

In order to be healthy, "behavior" must be changed, and in order to change "behavior," "awareness" must first be changed. Health literacy is a measure of health awareness and knowledge, and increasing the number of employees with high health literacy will lead to an increase in the number of healthy employees. The Company is continuously investing in health measures to increase the number of "health literate" employees who view health as their "personal matter," and engage in autonomous health promotion.

[Examples of Specific Initiatives]

Improvement of employee engagement

I. Strengthening the organization

II. Strengthening the individual

To promote K-ESG management, it is crucial for employees to practice the corporate philosophy and to gain the empathy and participation of internal and external stakeholders. As part of the Company's efforts to advance the establishment of the organization in which employees, who are the driving force behind K-ESG management promotion, can be proud and happy, and the organization that is rewarding and easy to work for, the Company has been conducting engagement surveys since November 2021. In 2025, approximately 24,000 employees, including those at domestic and overseas subsidiaries, participated in the engagement survey. While scores have steadily improved, further efforts to enhance engagement are required, as we aim to increase the positive response rate from the current 47% (Group-wide) to 60% by 2030. Since survey results vary by organization, it is necessary to implement actions tailored to each organization. Efforts are being made to engage in thorough dialogue throughout the entire organization and to encourage all members to take ownership of the engagement process. In 2023, workshops for organizational development (for department managers) were held to promote dialogue within the organization and to enhance activation and engagement. Through this workshop the department managers engaged in dialogue with members to create the organization's vision and conveyed it to members. This experience led the managers to develop specific actions to improve engagement.

Promotion of women's participation

I. Strengthening the organization

Considering the active roles played by female will promote innovation and sustainable growth throughout the organization, the Company has been increasing the number of female employees since 2020. The Company will continue to hire nearly 50% of total administrative staff to be women, and is considering raising the percentage of female technical staff hired from the current 12% to 13% to approximately 20%. At the same time, the Company is focusing on creating an environment that makes it easier for women to work and that supports women in playing more active roles.

In addition, the Company has launched the Kubota Women Employee Resource Group to facilitate interaction and mutual support among female employees. By bringing together women leaders from across organizations and forging new connections through autonomous activities, the program aims to deepen their own thinking about their careers and increase their motivation. Also, by sharing their own leadership experiences, opportunities for the next generation of young employees to explore diverse career paths and values are provided, ultimately fostering the development of future female leaders.

The Company also hosts forums aimed at empowering female employees and promoting the advancement of women. The President and other members of the management directly address female employees about the indispensability of women's active involvement to the Company and their thoughts on the promotion of women's empowerment. Furthermore, the Company provides opportunities for female employees to gain insights into their careers and identify their own leaders through lectures delivered by internal role models with global experience.

The proportion of female employees in managerial positions has been increasing annually. The Company has implemented measures to promote equity, such as changes in the personnel system and other initiatives to ensure that appointments are not based on gender. Additionally, the Company has expanded support to facilitate the active participation of women. Moving forward, the Company will continue to enhance diversity management, establish fair training and promotion practices, develop a work environment where all employees can thrive, and cultivate a culture that fosters sustained motivation.

Raising health awareness

III. Promotion of Health Management

Since 2018, the Company has provided "wearable devices" at no cost to all interested employees (achieving a total of 12,309 participants) to enhance each individual's "health literacy." Starting in 2022, the Company has introduced a "health app" to enable employees to access their health checkup results and vital data at any time. Additionally, the Company is supporting employees' autonomous health promotion by offering year-long "Health Challenge" program and providing "Point Incentives" for health-related activities.

3) Indicators and targets

Human capital KPIs that contribute to management strategy include the engagement score (positive response rate) from the Engagement Survey (ES) and the ratio of female managers. These indicators and targets are reviewed as appropriate in accordance with progress and changes in circumstances. In addition, the Company is advancing the enhancement of human capital KPIs from the perspective that improvements in engagement and diversity will lead to higher productivity and the promotion of challenge-oriented behaviors.

KPIs	Scope	Fiscal year 2025 results (%)	Fiscal year 2030 target (%)
ES - Engagement score	Consolidated	47	60
Ratio of Female Managers	Nonconsolidated	5.1	7

4) Governance

ESG Management Strategy Meeting, consisting of the President and Representative Director and representatives for business divisions, finance, human resources, R&D, manufacturing, environment, etc., deliberates on human capital issues. Furthermore, the Human Resource Council, whose members include the President and representatives of business and functional divisions, discusses the optimal training and allocation of human resources for future management candidates. In addition, engagement scores and diversity status are incorporated into the executive remuneration system.

(3) Response to Climate Change and Natural Capital: Disclosure in Accordance with the TCFD and TNFD Recommendations

The Company has set forth the "Environmental Vision" to indicate the direction of business activities from an environmental perspective towards 2050, aiming to contribute to realizing a carbon neutral and resilient society. The Company expressed its support for the TCFD (Task Force on Climate-related Financial Disclosures) recommendations in January 2020 and the TNFD (Task Force on Nature-related Financial Disclosures) recommendations in February 2024, making every effort to expand its information disclosure.

Refer to the following links for the latest disclosures in accordance with the TCFD and TNFD recommendations:

- TCFD: <https://www.kubota.com/sustainability/environment/tcf/index.html>

- TNFD: <https://www.kubota.com/sustainability/environment/tnfd/index.html>

TCFD

1) Governance

Environmental management issues, including climate change and natural capital, are deliberated and managed mainly by senior management at the "ESG Management Strategy Meeting" and other meetings. The results of the meetings are reported to the Board of Directors and the Executive Officers' Meeting and disseminated within the Group through the "Environmental Manager Conferences." Additionally, to further accelerate ESG management efforts, the targets for climate change response are incorporated into the evaluation indicators for annual bonuses in the executive remuneration plan.

2) Strategy

To assess the impacts of climate change and natural capital on the entire Group, the Company has conducted scenario analyses covering all businesses. For climate change, based on population growth and economic development toward 2050, the Company has conducted an assessment of the expected impacts on the business in 2030 using climate change scenarios of 1.5°C / 2°C and 4°C. Based on the results of these scenario analyses, the Company has identified risks and opportunities for its business and formulated counterstrategies for each business sector.

Analysis results of Farm & Industrial Machinery business

Scenario	Summary of TCFD scenario analysis results (changes in market and operating environment)		Evaluation results (2030)	Financial impacts (2030) (Note)
1.5°C / 2°C	Risks [Technologies]	<p>Changes in product design and conditions of use owing mainly to tougher climate change-related regulations.</p> <ul style="list-style-type: none"> Regulations to improve fuel efficiency of internal combustion engines will be tightened in the future. Diversified needs for power sources, including electrification, fuel cells, and low carbon fuels (hydrogen engines and synthetic fuel engines), as new regulations apply to products that use internal combustion engines, such as farm equipment and construction machinery. 	Need to aggressively pursue R&D to improve fuel efficiency and to respond to diverse power sources to capture future business opportunities.	Medium
	Opportunities [Products]	<ul style="list-style-type: none"> Large products not suited for electrification due to the requirement for long operating hours and higher power, will use internal combustion engines, which increases the use of low- and zero-carbon fuels. 	The impact on revenue of decarbonized products will be limited even though regulations will be adopted in some developed regions by 2030.	Low to medium
	Opportunities [Markets]	<p>Changes in market need seeking decarbonized products and services.</p> <ul style="list-style-type: none"> Market needs for new value not found in products with internal combustion engines, such as noise reduction, avoidance of refueling, and indoor use, are increasing for construction machinery, lawnmowers, and utility vehicles. Growing demand for products that run on low- or zero-carbon fuels, such as hydrogen engines, gas engines, and hybrid engines, depending on local fuel supply infrastructure 	The impact on revenue in 2030 will be limited even though there are customers demanding electrified utility vehicles, lawnmowers, and construction machinery, etc., in some leading and existing markets.	Low to medium
	Opportunities [Markets]	<p>Changes in mode of agriculture owing to the promotion of decarbonization in the industry.</p> <ul style="list-style-type: none"> Crop yields will increase as farming technology advances and the effective use of farming land is further encouraged to mitigate the impacts of climate change. Decarbonization in agriculture will continue to gather momentum in developed economies and the adoption of sustainable farming methods will become more widespread. Decarbonization and modernization of agriculture in emerging economies will progress concurrently and demand for smart agriculture, farming solutions, and energy-efficient farm equipment will increase. Demand for decarbonized agriculture will increase, leading to increased carbon storage in the soil. 	Prospects for higher revenue from farm equipment, smart agriculture solutions, and other products that contribute to low- and zero-carbon agriculture.	Medium to high
4°C	Opportunities [Resilience]	<p>Changes in suitable farming land (changes in demand for farm equipment and methods).</p> <ul style="list-style-type: none"> Climate change will affect the relocation of suitable farming land and crop production. Demand will increase for farming solutions and support for transition to new farm equipment and methods, such as smart farm equipment and precision agriculture. Changes in demand for farming solutions are emerging in wet climate regions, especially North America, Asia, and some parts of Europe. 	Prospects for higher revenue from farm equipment and farming solutions that can adapt to changing weather conditions.	Medium to high

(Note)

Financial impacts shown as low if less than or equal to ¥2.5 billion; medium if greater than ¥2.5 billion but less than or equal to ¥25.0 billion; or high if greater than ¥25.0 billion.

Strategies in the Farm & Industrial Machinery business based on the analysis results

Contributing to the reduction of CO2 emissions at the product use stage through innovation.

- Continue to strengthen R&D to improve fuel efficiency of engines, hybridization, and other measures for which stricter regulations are expected to be implemented in the future.
- Expand product lineup that contribute to carbon neutrality, in keeping with the market needs.
- Accelerate R&D toward the practical application of various power sources, such as electrification, fuel cells, low- and zero-carbon fuels (hydrogen engines and synthetic fuel engines) in response to local energy supply conditions.

Providing support to reduce greenhouse gas emissions from agriculture and sustainable food production activities.

- Propel R&D of products and services that can be adapted to low- or zero-carbon agriculture and changing weather conditions, such as recycling of local biomass resources and carbon storage, and realize farm management solutions.
- Expand and popularize farm equipment and services that enable smart agriculture (automated machinery, precision agriculture, etc.), which contributes to more efficient and labor-saving agriculture.
- Contribute to the establishment of sustainable agriculture through the next-generation crop production, such as vegetable factories, that contributes to solving issues in the food value chain.
- Expand applications of Kubota Smart Agri System (KSAS), Kubota Smart Infrastructure System (KSIS), and Water for Agriculture Remote Actuated System (WATARAS), which integrate cutting-edge technologies and Information and Communication Technology to further improve agricultural efficiency and contribute to decarbonization through agriculture.

Analysis results of Water & Environment Business

Scenario	Summary of TCFD scenario analysis results (changes in market and operating environment)	Evaluation results (2030)	Financial impacts (2030) (Note)	
1.5°C / 2°C	Opportunities [Markets]	<p>Changes in social trends toward securing and conserving of water and resources.</p> <ul style="list-style-type: none"> • Population growth and economic development will further increase water demand. • Regulations will be enforced on the intake and discharge of water for household and industrial use in developed countries and Asia as a preventive measure against stretched water resources and deteriorating water quality owing to the impacts of climate change. • Demand will increase for solutions that resolve water shortages and deteriorating water quality. 	Prospects for higher revenue from products and solutions in connection with the development of water and sewage infrastructure.	Medium to high
	Opportunities [Resource efficiency]	<p>Changes in social trends toward securing and conserving of water and resources.</p> <ul style="list-style-type: none"> • Demand will increase for solutions that facilitate the effective use of energy and resources, such as utilization of rubbish and agricultural residues, and energy recovery from previously unutilized small-scale hydropower. • The compatibility of decarbonization and the circular economy will accelerate, extraction of new resources will be avoided, and circular use of resources will further increase. • Demand will increase for solutions to improve the efficiency of water infrastructure construction due to increasing urbanization construction and decreasing number of workers. 	Prospects for higher revenue from solutions related to the reclamation and recovery of resources and energy, as well as to the efficiency of their use.	Medium to high
4°C	Opportunities [Resilience]	<p>Changes in awareness of weather disasters.</p> <ul style="list-style-type: none"> • Climate change is expected to negatively affect the living environment due to increase in typhoons, torrential rains, and other natural disasters, as well as drought and deterioration of water quality. • Demand will increase for stronger resilience of existing water and sewage infrastructure, renewal of aging facilities, and improvement of water quality, as a countermeasure against severe natural disasters. • Demand will grow in Japan for water-related products aimed at bolstering national resilience in response to increasingly severe natural disasters as a consequence of climate change. 	Prospects for higher revenue from ongoing demand for products and solutions in connection with the development of more resilient water infrastructure, disaster countermeasures, and water quality improvements.	Low to medium

(Note)

Financial impacts shown as low if less than or equal to ¥2.5 billion; medium if greater than ¥2.5 billion but less than or equal to ¥25.0 billion; or high if greater than ¥25.0 billion.

Strategies in the Water & Environment business based on the analysis results

Contributing to the effective use of various resources (water, energy, minerals, etc.) and realization of the circular economy.

- Contribute to water and sewage infrastructure development and water recycling to meet growing water demand.
- Expand offerings of purification and sewage treatment products and solutions to help improve water quality.
- Manufacture and promote the use of biofuels derived from agricultural residues, household waste, sewage sludge, etc., that contribute to the development of resource recycling schemes in communities.
- Develop deep recycling technology, which recovers useful metals from urban mines, such as waste appliances to reduce landfill waste and utilizes plastic wastes as an energy source.
- Promote effective resource utilization through sewage sludge melting systems to recover heavy metals and phosphorus from sewage sludge.
- Expand the use of “smart waterworks systems” that contribute to energy conservation in water pipeline construction and management.

Contributing to the building of water infrastructure that is resilient to weather disasters.

- Expand offerings of disaster prevention and disaster response products, such as disaster-resistant ductile iron pipes and drainage pump trucks that contribute to disaster recovery efforts, and water level simulation and operation management systems for drainage pump stations that contribute to disaster prevention.
- Expand applications of KSIS to support remote monitoring, diagnosis, and control of water treatment plants and equipment.

Analysis results common to both businesses

Scenario	Summary of TCFD scenario analysis results (changes in market and operating environment)		Evaluation results (2030)	Financial impacts (2030) (Note 1)
1.5°C / 2°C	Opportunities [Regulations]	<p>Changes in decarbonization approach of companies sought after by society.</p> <ul style="list-style-type: none"> • Increase in pressure for decarbonization throughout the product life cycle worldwide, including the introduction of carbon pricing schemes and carbon border adjustment mechanisms. • Energy prices will rise as regulations and initiatives to decarbonization accelerate. • Taxes on fossil fuels and CO2 emissions will increase owing to the introduction of a carbon tax. • Energy costs and expenses associated with energy-saving measures are expected to rise as governments worldwide enforce stricter energy conservation regulations. 	Rise in manufacturing costs, driven by increasing capital investment in response to decarbonization and energy conservation, as well as rising energy and raw material prices.	Medium
			An expected carbon tax burden will materialize when emission reduction targets are met as a result of measures taken to save energy and curb CO2 emissions	Low (Approx. ¥2.5 billion) (Note 2)
4°C	Opportunities [Physical]	<p>Impacts on the Company and suppliers as a result of more abnormal weather events.</p> <ul style="list-style-type: none"> • Weather disasters, such as torrential rains and floods, are becoming more severe and frequent. • Negative impact on business activities at the Company’s own sites and suppliers. • Impact on production and sales activities due to delays in procuring raw materials. 	Potential disaster-related losses due to weather disasters.	Medium (Approx. ¥3.0 to 6.0 billion) (Note 3)
			Potential increase in costs associated with business continuity plan (BCP) measures to avoid adverse effects of weather disasters.	Medium

(Notes)

1. *Financial impacts* shown as low if less than or equal to ¥2.5 billion; medium if greater than ¥2.5 billion but less than or equal to ¥25.0 billion; or high if greater than ¥25.0 billion.
2. Calculated by multiplying the projected carbon tax as of 2030.
3. Calculated with reference to losses stemming from previous weather disasters.

Strategies based on the analysis results

Reduce CO2 emissions and other environmental impacts resulting from business activities.

- Promote initiatives aimed at conserving energy use, installing energy-efficient equipment, electric furnace conversion, switching fuels, installing LED lighting, and expanding the use of renewable energy at production sites.

Strengthen climate change risk countermeasures at the Company's sites and at suppliers.

- Use hazard maps to identify sites that are at high risk of suffering damage from torrential rain, flooding, and strong winds and systematically promote reinforcement of buildings and measures to prevent electrical equipment from being inundated by water.
- Decentralize the procurement of parts and materials by diversifying procurement routes.
- Construct a manufacturing system that is resilient to weather disasters based on BCP.

TNFD

Regarding natural capital, the LEAP approach proposed by TNFD and the “ENCORE” risk analysis tool were used to evaluate businesses that are closely related to natural capital.

In the “Locate” phase of the LEAP approach, Farm & Industrial Machinery has identified Asia as a region where farm equipment for rice cultivation is used, and Asia, Europe, and the Americas as regions where machinery for field crop and orchard cultivation is used. In the Water & Environment, the Company has identified Asia as a water-stressed region and Japan as a natural resource-dependent region.

In the "Evaluate" phase, the Company has observed that the implementation of agriculture in the clientele affects land and water resources, while at the same time, agriculture is dependent on these resources. The Company has also observed that while water related businesses are dependent on water resources and water quality, the environmental businesses are not highly dependent on natural capital.

In the "Assess" phase, scenario analyses were conducted for items with high impact and dependency, and in the "Prepare" phase, strategies to reduce risks and expand opportunities were developed.

Segment	Reason or ecosystem service	Summary of TNFD scenario analysis results	Anticipated business risks and opportunities
Farm & Industrial Machinery	Impacts Water use	<ul style="list-style-type: none"> • As population growth drives up demand for water, securing enough water for irrigation purposes could prove challenging. • Advancements in agricultural technology will most likely contribute to improved water efficiency. • In order to maintain the health of ecosystems, restrictions aimed at limiting the impacts of agriculture and industry on water resources may be tightened. 	<p>Risks:</p> <ul style="list-style-type: none"> • Crop yields may decline owing primarily to a decrease in water for agricultural use, storm and flood damage, and water and soil contamination. This could potentially affect sales of farm equipment. <p>Opportunities:</p> <ul style="list-style-type: none"> • Stronger demand for farm equipment and solutions that help boost crop yields. • Increased revenue from sales of farm equipment, construction machinery, and solutions that contribute to low-and zero-carbon agriculture.
	Dependency Water circulation, surface water, groundwater		
	Impacts Ecosystems (fresh water, terrestrial) Water and soil pollution	<ul style="list-style-type: none"> • Greater crop yields will be needed to meet food demand as a result of population growth. • Land conversion of forests and reservoirs to secure farmland may decrease water retention capacity of the soil and increase wind and flood damage to farmland. Furthermore, deforestation may lead to the loss of ecosystems and accelerate climate change. • The excessive use of fertilizer and pesticides to boost yields could lead to a decrease in pollen transfer and the degradation of water and soil. 	
	Dependency Storm buffering, ground stabilization Pollination		

Segment	Reason or ecosystem service	Summary of TNFD scenario analysis results	Anticipated business risks and opportunities
Water & Environment	Impacts —	<ul style="list-style-type: none"> • Demand for water resources and urban green spaces will increase due to urban expansion and population growth. Water management with consideration for the protection of water sources and waterways and the conservation of natural resources will be strengthened. • Restrictions will be enforced on the intake and discharge of water for household and industrial use as a preventive measure against strained water resources and deteriorating water quality owing to the impacts of climate change. • Demand will increase for solutions that resolve water shortages and poor water quality. 	<p><u>Opportunities:</u></p> <ul style="list-style-type: none"> • Demand for solutions for efficient management and recycling of water resources will increase. • Demand for solutions that encourage effective use and recycling of resources will increase.
	Dependency Water circulation, surface water, groundwater		
	Impacts Waste	<ul style="list-style-type: none"> • Demand for solutions that make effective use of waste, agricultural residues and resources will increase. 	
	Dependency —		

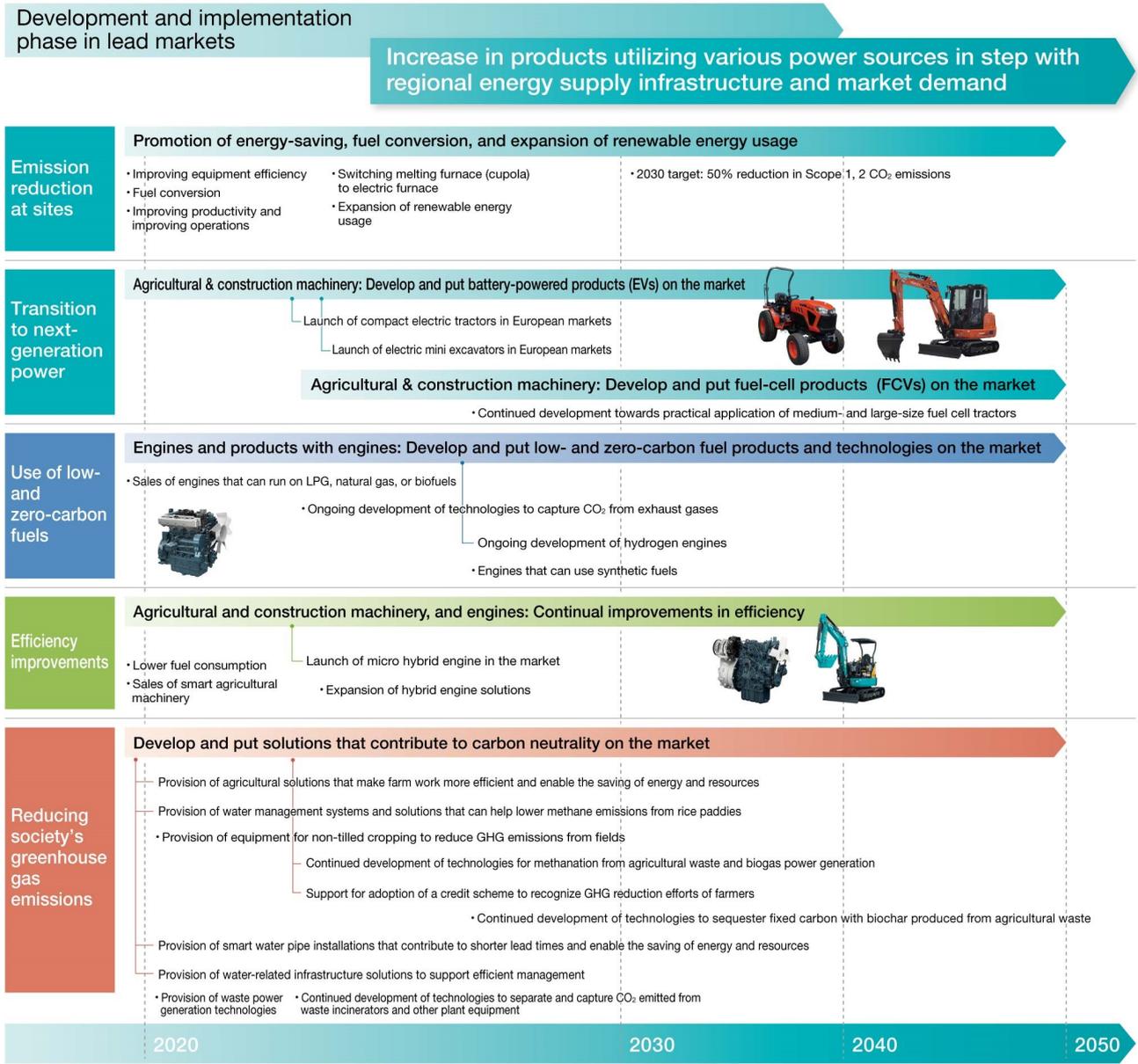
Key Strategies

- Expand the provision of agricultural solutions that improve water use efficiency in agriculture, mitigate deforestation, and protect habitats.
- Reduce greenhouse gas emissions and minimize the adverse impact on ecosystems and habitats through the offerings of sprayers, drones, and other products that contribute to increased crop yields and optimized fertilizer application.
- Contribute to water infrastructure development and water recycling by offering water supply and sewerage pipes, and engineering for water treatment plants.
- Realize a circular economy by offering recycling plants, such as facilities that pulverize and sort waste to recover metals, plastics, and other resources, and melting furnaces to extract chemical fertilizer from sewage sludge.

Transition plan to a low-carbon economy

The Company believes that there are many options for power sources in the era of carbon neutrality after 2030 and that measures must be taken in all directions. The following is the transition plan (roadmap) that outlines the Company's response to climate change.

Roadmap to carbon neutrality



The above roadmap is based on information that can be studied at present. It is subject to major changes, depending on future technological development and market trends.

3) Risk management

The Company identifies materialities related to environmental conservation initiatives, including climate change mitigation and adaption, throughout the value chain (direct operation, including upstream and downstream). The periods covered by the risks and opportunities that emerge are determined from a short-, medium-, and long-term perspective, and identified risks and opportunities are reviewed annually. In addition, the Company identifies materialities related to environmental conservation initiatives by collecting and analyzing information, identifying issues, examining their importance, identifying risks and opportunities, and formulating priority measures.

As an evaluation process, the Company sets medium- to long-term environmental conservation targets and continuously manages its progress. Medium-term (three to five years) and long-term (five to 15 years) targets are discussed at the ESG Management Strategy Meeting and other meetings. Each production site prepares a plan, and the Environmental Protection Department monitors their progress annually. After analyzing how close the Company is achieving its targets, the Company is considering key measures and the direction of medium- to long-term initiatives. In addition, the Company promotes responses to climate change in accordance with local conditions through the Environmental Manager Conference.

4) Indicators and targets

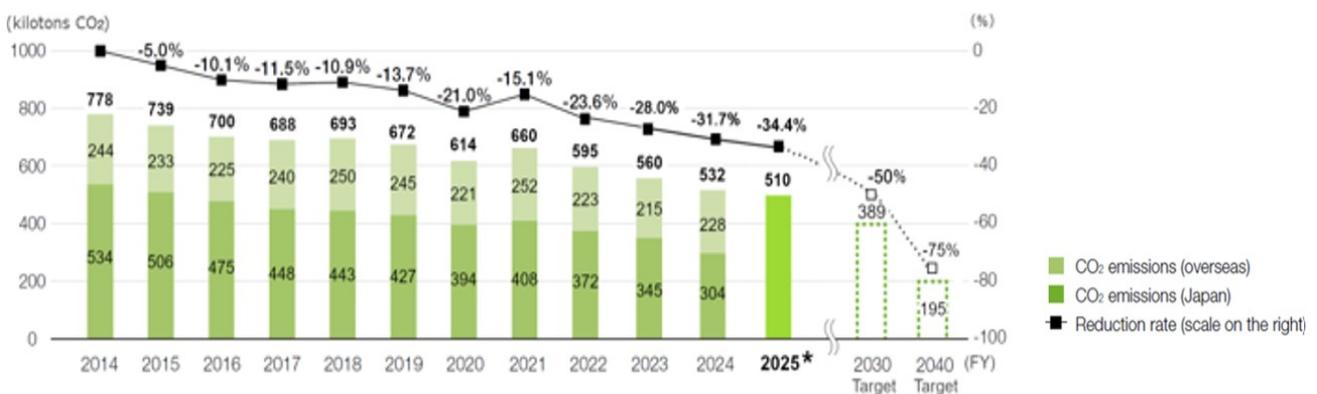
The Company has set Medium- and Long-Term Environmental Conservation Targets aimed at reducing risks and expanding opportunities related to climate change and natural capital, and is committed to achieving these targets. Furthermore, the Company calculates and discloses performance data on CO2 emissions (Scopes 1 and 2) at the Company's global sites and upstream and downstream CO2 emissions (Scope 3). The Company has obtained third-party assurance for key disclosed data, and is working to improve its accuracy.

Action item	Management indicator	Base fiscal year	Fiscal year 2025		Fiscal year 2030	Fiscal year 2040
			results (%)	target (%)	target (%)	target (%)
			(Note 3)	(Note 4)	(Note 4)	(Note 4)
Reduce CO2 emissions (Scopes 1 and 2)	CO2 emissions (Note 1)	2014	(34.4)	—	(50)	(75)
	CO2 emissions per unit of production (Note 2)	2014	(49.6)	(45)	(60)	—
	Ratio of renewable energy usage (Note 1)	—	22.9	20% or more	60% or more	—
Conserve water resources	Water withdrawal per unit of production (Note 2)	2014	(40.4)	(35)	(45)	—

(Notes)

1. Global business sites of the Company are in scope.
2. Global production sites of the Company are in scope and indicators per unit of production represent the environmental impacts per unit of output.
3. Fiscal year 2025 results indicate preliminary figures as of March 3, 2026.
4. Figures in parentheses indicate negative figures.

Trends in CO2 Emissions (Scopes 1 and 2)



(Note)

Figures for the fiscal year 2025 are preliminary as of March 3, 2026.

3. Risk Factors

The Company considers the following risks may adversely affect the Company's financial position, results of operations, and cash flows (hereinafter, the "results of operations"). Forward-looking statements contained in this section are made based on the assumptions and judgments of the Company as of December 31, 2025.

(1) Economic Conditions

Industrial and capital goods make up a substantial portion of the Company's products. Accordingly, the Company may face reduced demand resulting from declines in general economic conditions, including private-sector capital expenditures, construction investment, and domestic public investment. In addition, the agricultural policies set by the government may adversely affect the sales of agricultural-related products. In the overseas markets, especially in North America and Europe, sales of the Company's products, such as utility/compact tractors, may decrease due to declines in general economic conditions, including personal consumption and residential construction investment in those regions. As a result, there is a possibility that the Company's results of operations may be adversely affected significantly.

(2) Soaring Raw Materials Prices and Difficulties in Procurement of Raw Materials

The Company purchases substantial raw materials and parts from third-party suppliers. With the globalization of the business, procurement at overseas production bases is increasing and the Company is promoting procurement at the optimal locations by building a global procurement network. However, if the prices of raw materials and parts substantially increase due to the supply and demand gap and changes in the market conditions, and if such a rise is prolonged, they may have an adverse effect on the Company's profitability. In addition, if the Company has difficulties in procuring adequate supplies of raw materials and parts, there may be a material adverse effect on the Company's results of operations as production and sales activities may be disrupted.

(3) The Risks Associated with International Operations

The Company's businesses that have substantial overseas operations are exposed to the risks inherent in conducting business in those markets. If such risks materialize, the Company may face difficulties in stable production and sales of products, and may decrease revenue and increase procurement and transport costs, which affect the Company's results of operations, and this may hinder growth of the Company. Material risks include:

- 1) Risks associated with changes in government licensing and subsidy policies in key markets
- 2) Risks associated with unexpected changes in tariffs and import/export quotas due to changes in international trade policies
- 3) Risks associated with unforeseen changes in laws and regulations in various countries
- 4) Geopolitical risks
- 5) Unstable labor relations in developing countries
- 6) Difficulties in retaining qualified human resources
- 7) Risks associated with supply chain and logistics disruptions
- 8) Risks associated with unexpected changes in the taxation systems of countries
- 9) Risks associated with unanticipated outcomes in the transfer pricing issues

(4) Fluctuations in Foreign Currency Exchange Rates

The Company has a number of overseas manufacturing, sales, and financial leasing subsidiaries that contribute significantly to the Company's results of operations. The financial statements of overseas subsidiaries denominated in its local currency are reflected in the consolidated financial statements of the Company after translation into yen. In addition, Kubota Corporation exports to overseas subsidiaries or external customers that are generally denominated in their local currency, and the foreign currency earned is converted into yen. Therefore, fluctuations in the exchange rate between the local currency and the yen have an impact on the Company's results of operations. In general, the appreciation of the yen against other currencies has a negative impact on the results of operations of the Company. In order to mitigate the negative impact of exchange rate fluctuations, the Company has been transferring its production bases to overseas in accordance with "production at optimal locations" principle. Also, the Company utilizes foreign exchange forward contracts and other derivative instruments. Despite the Company's efforts to mitigate such risks, fluctuations in foreign currency exchange rates may adversely affect the Company's results of operations.

(5) Interest Rate Fluctuation Risk

The Company has interest-bearing liabilities, which are subject to fixed or variable interest rates. If interest rates rise, interest expenses will increase along with incentive costs related to financial leasing business, especially in the United States. The Company utilizes swap contracts and other derivative instruments to mitigate the impact of fluctuations of interest rates. However, despite the Company's efforts to mitigate such risks, fluctuations in interest rates may adversely affect the Company's results of operations.

(6) Stock Market Fluctuation Risk

The Company holds marketable securities, most of which are equity securities, and the fair value of these securities may fluctuate significantly depending on stock market. In addition, plan assets related to the retirement benefit plan may decrease due to a decline in stock market. The investment policy for plan assets is to achieve the best possible investment results under acceptable risk. In order to diversify risks, the Company balances its portfolio by carefully considering the industries, types of companies, and regions in which it invests, taking into consideration factors that affect investment returns, such as interest rate fluctuation risk, economic growth rates, and types of currencies. However, changes in the fair value of securities or a decrease in plan assets could have a significant impact on the Company's results of operations.

(7) Success or Failure of Strategic Alliances, Mergers, Acquisitions, etc., with Third Parties

The Company intends to use strategic alliances, mergers, and acquisitions to generate further growth. The success of these transactions depends on factors, such as business environment, the capabilities of its business counterparts, and whether the Company and its counterparts share common goals. If these transactions are not successful and returns on investments are lower than expected, the Company's profitability may be lower than anticipated and could have a significant impact on the Company's results of operations.

(8) Competition with Other Companies

The Company is exposed to significant competition in each of its businesses. Unless the Company achieves a competitive advantage in areas, such as terms of trade conditions, R&D, and quality of goods and services, the Company's revenues may decrease and could have a significant impact on the Company's results of operations.

(9) Products and Services

The Company strives to maintain and improve quality of products and services through education, efforts to prevent quality issues, and internal quality audits. However, if the Company's products and services are alleged to have serious defects, the Company may incur significant costs related to liability. If such claims are asserted, the Company's reputation and brand value may be damaged, which could cause a decline in demand for the Company's products, resulting in decreased revenues, and could have a significant impact on the Company's results of operations.

(10) Environmental Pollution

In order to ensure compliance with environmental laws and regulations and prevent environmental accidents, the Company has established an environmental management system and is striving to continuously improve rule-based operations and environmental conservation initiatives. However, despite the Company's efforts to mitigate such risks, the Company may incur significant costs and expenditures to take corrective measures or face litigation if the Company causes environmental contamination, including the emission of hazardous materials, air pollution, water pollution, and/or soil contamination. These factors may have a significant impact on the Company's results of operations.

(11) Asbestos-Related Issues

The Company previously manufactured products containing asbestos from 1954 to 2001. The Company may be required to incur additional expenses, including payments to the individuals concerned and expenses arising from litigation of the asbestos-related health hazards. If such expenses become substantial, they may result in a material adverse effect on the Company's results of operations.

(12) Compliance Risk

The Company has declared its intention to conduct its corporate activities in compliance with legal regulations and ethical principles, and to make efforts to ensure that all management and staff of the Company comply with various legal regulations, ethical standards, and internal regulations. However, in the event that compliance issues arise, there is a possibility that the Company may be subject to disciplinary action by government ministries supervising its activities or to lawsuits, or may suffer a loss of public confidence, which may result in a material adverse effect on the Company's results of operations.

(13) IT System and Networks

The Company is exposed to certain IT security risks, including threats to the confidentiality, availability, and integrity of its data and systems. In order to manage such risks, the Company has implemented the information security system, an integrated set of policies, processes, methodologies, teams, and technologies aimed at ensuring appropriate protection of the data. Despite such efforts, if the Company's IT system and networks are disrupted or experience a security breach, the Company may suffer from an opportunity loss due to production downtime, be subject to litigation or threat of litigation for information leakage, or the Company's intellectual property may be infringed. All of which in turn may cause the Company to incur significant costs. If such security breaches and other disruptions occur, the Company's reputation and brand value may also be damaged, and may lead to a decline in demand for its products and revenues. As a result, there is a possibility that the Company's results of operations may be adversely affected significantly.

(14) Environmental Laws and Regulations

The Company is subject to various environmental laws and regulations that apply to its products and business activities. If these environmental laws and regulations, such as greenhouse gas emission controls, exhaust emission controls, and usage restrictions for certain materials used in the Company's products, are strengthened or newly established, the Company may be required to incur considerable expenses in order to comply with such laws and regulations. Such expenses may have a material adverse effect on the Company's results of operations.

(15) Damages Caused by Natural Disasters and Other Unpredictable Events

The Company conducts business activities in Japan, North America, Europe, Asia, and other regions. If unpredictable events, such as earthquakes, tsunamis, floods, typhoons, droughts, pandemics, wars, terrorist attacks, fires, information system or communication network breakdowns, and power outage or shortage, occur in countries and regions in which the Company operates, the Company's production, distribution, and sales activities may be disrupted. Global warming and climate change have increased the risk of disasters around the world recently. Furthermore, Japan is one of the most earthquake-prone countries in the world and can be subject to severe earthquakes or tsunamis.

(16) Human Rights Risk

In recent years, with the growing social concerns over human rights, legislation for the protection of human rights has been progressively enacted, particularly in Europe. Violations of human rights in the value chain of the Company, including suppliers, subcontractors, and other business partners, could have a significant impact on the Company's results of operations through social criticism, boycotts of the Company's products, or the imposition of penalties under laws and regulations.

4. Analysis of Consolidated Financial Position, Results of Operations, and Cash Flows by Management

Forward-looking statements contained in this section are made based on the assumptions and judgments of the Company as of December 31, 2025. In addition, based on the organizational restructuring effective January 1, 2025, the Company has changed the composition of its reportable segments from the beginning of the fiscal year, and certain expenses that had previously been included in "Adjustments" are now allocated to each reportable segment. Accordingly, year-on-year comparisons are calculated using the figures reclassified to conform to the new segment structure.

(1) Analysis and Consideration of Results of Operations from Management's Point of View

The analysis and consideration of the Company's results of operations for the year ended December 31, 2025, are as follows:

1) Results of Operations

For the year ended December 31, 2025, revenue of 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 increased 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 year 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.

Revenues from external customers and operating income by each reportable segment were as follows:

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 horsepower. 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 (reduction of Goods and Services Tax).

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.

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.

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.

2) Assets, Liabilities, and Equity

Assets

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.

Liabilities

Total liabilities increased from the prior fiscal year end due to an increase in trade payables, among other items.

Equity

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.

3) 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.

(2) Liquidity and Capital Resources

The Company's financial policy is to ensure adequate financing and liquidity for its operations and to strengthen the health of its consolidated statements of financial position.

Through efficient management of working capital, the Company intends to optimize the efficiency of capital utilization throughout its business operations. The Company seeks to improve its group cash management by centralizing cash management among Kubota Corporation and its overseas financing subsidiaries.

The Company's internal sources of funds include cash flows generated by operating activities and cash and cash equivalents. In addition, the Company raises funds by borrowings from financial institutions, financing by securitization of receivables, and issuance of bonds and commercial paper (CP) in capital markets, if necessary. The Company's policy is to finance working capital and capital expenditure primarily by internally generated funds and, to a lesser extent, by funds raised through borrowings from financial institutions, etc. Bonds and borrowings were primarily used for sales financing, capital investment, and working capital in the year ended December 31, 2025. Regarding bonds and borrowings, refer to Notes to Consolidated Financial Statements, Note 16. BONDS AND BORROWINGS.

At present, the Company expects no difficulties in raising funds for business operations and investments given its strong financial foundation and ability to generate stable cash flow.

(3) Production, Orders Received, and Revenue

1) Production

Consolidated production results by reportable segment for the year ended December 31, 2025, were as follows:

Reportable segment		Amount (millions of yen)	Change from the prior year (%)
Farm & Industrial Machinery	¥	2,459,774	(3.0)
Water & Environment		375,900	1.2
Other		15,823	(5.6)
Total	¥	2,851,497	(2.5)

(Notes)

1. Intersegment transfers are eliminated.
2. Amounts are recorded at sales price.

2) Orders Received

Consolidated orders received by reportable segment for the year ended December 31, 2025, were as follows:

Except for certain products, Farm & Industrial Machinery products and some Water & Environment and Other products are not made-to-order.

Reportable segment		Amount (millions of yen)	Change from the prior year (%)	Balance (millions of yen)	Change from the prior year (%)
Farm & Industrial Machinery	¥	7,206	29.4	¥ 3,835	22.0
Water & Environment		319,301	23.9	329,918	10.4
Other		28	(91.6)	28	(92.3)
Total	¥	326,535	23.8	¥ 333,781	10.4

(Note)

Intersegment transfers are eliminated.

3) Revenue

Consolidated revenue by reportable segment for the year ended December 31, 2025, were as follows:

Reportable segment		Amount (millions of yen)	Change from the prior year (%)
Farm & Industrial Machinery	¥	2,628,618	(0.3)
Water & Environment		374,352	3.2
Other		15,921	(5.1)
Total	¥	3,018,891	0.1

(Notes)

1. Intersegment transfers are eliminated.
2. There were no customers whose revenue exceeded 10% or more of the Company's total consolidated revenue for the years ended December 31, 2025 and 2024.

(4) Significant Accounting Estimates and Assumptions

The Company prepares its consolidated financial statements in accordance with IFRS Accounting Standards, which requires the application of accounting policies and the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those accounting estimates and assumptions. Estimates and assumptions are continually reviewed. The effects of a change in accounting estimates, if any, are recognized in the reporting period in which the change is made and in the future period.

With regard to significant accounting estimates and assumptions, refer to Note 2. BASIS OF FINANCIAL STATEMENTS, Significant Accounting Judgments, Estimates, and Assumptions; and Note 3. MATERIAL ACCOUNTING POLICIES of the Notes to Consolidated Financial Statements.

5. Material Contracts

Not applicable.

6. Research and Development Activities

The Company has solved various social challenges through innovation and provided new value to the world since its founding. As the world enters a period of profound transformation, the Company believes that solutions with an even greater focus on the future are essential to contribute more significantly to society. The Company strives to anticipate not only current but also potential future societal challenges. By integrating cutting-edge technology with insights gained through relentless technical refinement and trial and error, the Company aims to create unprecedented excitement and new value. Its employees are united in their efforts to balance the development of products and technologies linked to business with mid-to-long-term research and development that supports the company's sustainable growth.

The total R&D expenses for the year ended December 31, 2025, were ¥110.3 billion, and the R&D expenses and major achievements by reportable segment are as follows.

(1) Farm & Industrial Machinery

R&D departments in this segment are engaged in product development of farm equipment, agricultural-related products, engines and construction machinery, as well as related advanced research. Major achievements are as follows:

Development of new functions for KSAS farm management support system

Developed and added "KSAS AI chat function", which utilizes generative AI, and "satellite remote sensing function". Additionally, developed a new function to support obtaining the "ChoiSTAR (*1)," which visualizes agricultural producers' efforts to reduce environmental impact. The key features are as follows:

KSAS AI chat function

- (Feature 1) Enhancement function to provide not only information on how to use KSAS and resources for new entrants to agriculture, but also to answer simple farming queries.
- (Feature 2) Added a "Conversation history function" that allows users to review past query histories and resume from where previous conversations ended.
- (Feature 3) Added a function to display the relevant manual pages related to the answer in PDF format.

Satellite remote sensing function

- (Feature 4) Display crop growth conditions on a map based on satellite imagery.
- (Feature 5) Enables wide-area monitoring of the growth status of more fields using satellites.

ChoiSTAR

- (Feature 6) Using cultivation data recorded in KSAS, it is now possible to perform on KSAS, in a single workflow, the calculation of greenhouse gas emissions from the crop production process, the estimation of contribution rates to emission reductions, and reporting to the Ministry of Agriculture, Forestry and Fisheries — tasks that previously had to be carried out separately by agricultural producers.

(Note)

1. "ChoiSTAR" is the English nickname for "Mieru Label" launched by the Ministry of Agriculture, Forestry and Fisheries which evaluates efforts to reduce environmental load during the production stage of agricultural products and displays the results in an easy-to-understand manner.

Expansion of the lineup of products equipped with GS function

Expansion of the lineup of agricultural machinery equipped with the "GS (Go Straight) function," which utilizes positional data from GNSS (Global Navigation Satellite System) to enable automatic straight-line driving and operation for tractors, combine harvesters, rice transplanters and ride-on fully automatic vegetable transplanters. The key features are as follows:

- (Feature 1) It automatically corrects steering so the machine stays parallel to the "reference line" drawn between the set start point A and end point B. Tractor "Lexia MR800H-1050H GS specification" and the ride-on fully automatic vegetable transplanters come standard with an RTK-GNSS (*2) antenna (optional on the Slugger tractors GS specification, combine harvesters and rice transplanters), enabling highly accurate straight-line operation with an error of about plus or minus 3 cm relative to the reference line.
- (Feature 2) For tractors, rice transplanters and combine harvesters, in addition to setting a reference line at start point A and end point B, there are modes where you can create a reference line by inputting an azimuth (numerical value), or modes where a reference line is automatically created along the extension of the direction of travel after traveling a set distance.

(Feature 3) Models equipped with "GS Link" that integrate with KSAS can load reference headings and implement settings registered in KSAS onto the machine. This lets you skip reference-line registration and setup tasks, improving work efficiency. In addition, reference headings registered in KSAS can be shared among different models with the "GS Link" function, enabling synergistic use of the same reference line across tractors, rice transplanters, and combine harvesters.

(Note)

2. The GNSS with the Real Time Kinematic (RTK) technique is a positioning method that simultaneously observes two points: a reference point and an observation point.

R&D for the complete automation and greening of agricultural, civil engineering and construction work

Labor shortage is an urgent issue not only in agriculture but also in civil engineering and construction work. The Company is developing autonomous driving technology, remote control technology and group control technology for multiple machines to achieve labor-saving and unmanned operations. The Company exhibited concept models of two types of versatile platform robots at the Expo 2025 Osaka, Kansai, Japan. The Company will advance R&D aimed at greening these machines to reduce the environmental impact. At the Expo, the Company exhibited an autonomous fuel cell tractor (concept model), which was viewed by many visitors, reaffirming a keen interest in this technology. The Company will continue R&D efforts to realize products and services that can contribute even more to the future of each region.

The R&D expenses in this segment totaled ¥103.5 billion.

(2) Water & Environment

R&D departments in this segment are engaged in product development related to pipe system (ductile iron pipes, plastic pipes, and other products), industrial products (reformer and cracking tubes, spiral welded steel pipes, air-conditioning equipment, and other products), and environment (environmental control plants, pumps, and other products), as well as related advanced research. Major achievements are as follows:

Development of the GX type ductile iron pipes (nominal diameters of 500 mm to 1000 mm)

In addition to the GX-type ductile iron pipes with nominal diameters of 75 mm to 450 mm, which have been well received by many customers, new ductile iron pipes with the nominal diameters of 500 mm to 1000 mm have been developed and added to the product lineup. The key features are as follows:

- (Feature 1) By adopting a metal touch structure, simple and reliable installation management has been achieved. Since torque control is unnecessary and the number of bolts has been reduced by half compared with the conventional NS type, the jointing time is shortened to approximately half, contributing to improved on-site installation efficiency.
- (Feature 2) By adopting a boltless lower-side follower ring, bolt-tightening work beneath the pipe and its associated installation management are no longer required. This dramatically improves workability, enabling safer and smoother operations at construction sites.
- (Feature 3) All straight pipes are manufactured at the Hanshin Plant using electric furnaces. By adopting a production process that reduces CO2 emissions, the environmental impact is effectively lowered.

Development of automated inspection technology utilizing quadruped robots

Following demonstration tests at waste incineration facilities operated under contract, "automated patrol and inspection technology utilizing quadruped robots" has been developed. The key features are as follows:

- (Feature 1) The quadruped robot automatically patrols along a preset route, captures images of meters and other inspection targets, converts the information into numerical inspection data using image-recognition AI, and transfers the data to various systems.
- (Feature 2) Automated patrol inspections covered 64% of inspection points within the dioxin-controlled area, reducing the time required for patrol inspection work by approximately three hours. This enables workers to allocate more time to higher-priority tasks, such as identifying early signs of abnormalities and responding quickly when issues arise.
- (Feature 3) In the dioxin-controlled area around the incinerator, which accounts for approximately 45% of all inspection points within the facility, the introduction of automated patrol inspections has reduced the need for workers to enter the area wearing protective equipment such as respirators, thereby improving overall safety.
- (Feature 4) By centrally managing the digitized inspection data in the cloud and visualizing operating conditions and equipment information, it becomes possible to stabilize facility operations through trend analysis.

The R&D expenses in this segment totaled ¥6.8 billion.

3. Property, Plant, and Equipment

1. Summary of Capital Investment

Capital investment by the Company is focused on investments to expand manufacturing capacity to meet growing demand, rationalization investments to strengthen market competitiveness, IT investments to promote Digital Transformation, and investments to strengthen R&D capabilities for business expansion. The Company also invests in environmental conservation, safety and health, and BCP measures.

From the year ended December 31, 2025, following a realignment of reportable segments based on internal organizational structure, certain capital investments previously included in the *Corporate* segment have been allocated to the respective reportable segments. In line with this change, figures for the previous year have also been reclassified and presented in accordance with the new categories.

Capital investment for the year ended December 31, 2025, totaled ¥179,831 million. The breakdown is as follows:

		For the year ended December 31, 2025 (millions of yen)		For the year ended December 31, 2024 (millions of yen)	Change from the prior year (%)
Farm & Industrial Machinery	¥	153,708	¥	191,208	80.4
Water & Environment		17,799		17,644	100.9
Other		257		312	82.4
Corporate		8,067		6,285	128.4
Total	¥	179,831	¥	215,449	83.5

The details of major investments are as follows:

Farm & Industrial Machinery

Investments were made for BCP measures in Japan and for expansion of manufacturing capacity in Japan and North America.

Water & Environment

Investments were made for rationalization and BCP measures.

Corporate

Investments were made to strengthen the IT infrastructure in Japan.

For the year ended December 31, 2025, no property, plant, and equipment were sold, disposed, or damaged that would have a material impact on manufacturing capacity.

Losses on sale and disposal of property, plant, and equipment for routine upgrades amounted to ¥5,139 million and ¥5,273 million for the years ended December 31, 2025 and 2024, respectively.

2. Major Property, Plant, and Equipment

Major property, plant, and equipment of the Company as of December 31, 2025, are as follows:

The *Machinery and equipment and others* column includes machinery, equipment, tools, furniture, fixtures, motor vehicles, and transport equipment.

Carrying amounts are amounts presented in the statement of financial position of each company.

(1) Kubota Corporation

(As of December 31, 2025)

Facility (Main location)	Reportable segment	Production items or business operations	Carrying amount (millions of yen)						Number of employees
			Buildings and structures	Machinery and equipment and others	Land		Construction in progress	Total	
					Area (m ² in thousands)	Amount			
Hanshin Plant (Amagasaki-shi, Hyogo, JAPAN)	Water & Environment	Ductile iron pipes	3,264	5,909	(4) 365	1,930	4,123	15,226	583
Keiyo Plant (Funabashi-shi, Chiba, JAPAN)	Water & Environment	Ductile iron pipes	3,290	2,755	445	10,664	440	17,149	349
Ichikawa Plant (Ichikawa-shi, Chiba, JAPAN)	Water & Environment	Spiral welded steel pipes	610	2,131	(19) 62	513	226	3,480	133
Okajima Business Center (Taisho-ku, Osaka, JAPAN)	Farm & Industrial Machinery and Water & Environment	Casting parts	6,305	10,329	(1) 82	53	646	17,333	373
Kubota Global Institute of Technology (Sakai-shi, Osaka, JAPAN)	Farm & Industrial Machinery and Corporate	R&D	55,882	10,952	(3) 657	23,479	1,152	91,465	3,157
Sakai Plant (Sakai-shi, Osaka, JAPAN)	Farm & Industrial Machinery	Farm equipment, engines, construction machinery and precision equipment	19,839	18,251	(24) 185	932	1,507	40,529	1,918
Sakai Rinkai Plant (Nishi-ku, Sakai-shi, Osaka, JAPAN)	Farm & Industrial Machinery	Engines	22,878	27,327	(1) 210	7,827	2,937	60,969	1,436
Utsunomiya Plant (Utsunomiya-shi, Tochigi, JAPAN)	Farm & Industrial Machinery	Farm equipment	1,600	2,572	(7) 146	188	3,042	7,402	453
Tsukuba Plant (Tsukubamirai- shi, Ibaraki, JAPAN)	Farm & Industrial Machinery	Farm equipment and engines	22,992	24,681	(22) 513	7,229	14,126	69,028	2,424
Hirakata Plant (Hirakata-shi, Osaka, JAPAN)	Farm & Industrial Machinery and Water & Environment	Construction machinery, pumps, valves and steel castings	17,788	8,738	304	672	8,472	35,670	1,891
Shiga Plant (Konan-shi, Shiga, JAPAN)	Water & Environment	Wastewater treatment plant (Johkasou)	2,137	276	178	1,032	94	3,539	59
Head Office, Tokyo Head Office, Other regional offices, etc. (Naniwa-ku, Osaka, JAPAN, etc.) (Note 2)	Farm & Industrial Machinery, Water & Environment, and Corporate	Administration, sales, R&D, etc.	16,217	4,241	1,644	26,925	3,917	51,300	3,121

(Notes)

- Kubota Corporation leases part of its land and buildings. The related rental expenses amounted to ¥1.2 billion for the year ended December 31, 2025. Figures in parentheses are the areas of leased land. Leased land and buildings are mainly used for storage yards and sales bases.
- Land is used for factories, distribution and sales bases, recreation facilities, and other purposes.

(2) Domestic subsidiaries

(As of December 31, 2025)

Company name	Facility (Main location)	Reportable segment	Production items or business operations	Carrying amount (millions of yen)						Number of employees
				Buildings and structures	Machinery and equipment and others	Land		Construction in progress	Total	
						Area (㎡ in thousands)	Amount			
Kubota ChemiX Co., Ltd.	Head office, regional offices, factories (Amagasaki-shi, Hyogo, JAPAN, etc.)	Water & Environment	Plastic pipes and fittings	374	5,896	(95)	—	894	7,164	722

(Note)

The figure in parentheses is the area of leased land. The leased land is primarily used as manufacturing bases.

(3) Overseas subsidiaries

(As of December 31, 2025)

Company name	Facility (Main location)	Reportable segment	Production items or business operations	Carrying amount (millions of yen)						Number of employees
				Buildings and structures	Machinery and equipment and others	Land		Construction in progress	Total	
						Area (㎡ in thousands)	Amount			
Kubota North America Corporation	Head office (Delaware, USA)	Farm & Industrial Machinery	Administration	14,514	416	3,174	8,880	246	24,056	148
KUBOTA TRACTOR CORPORATION	Head office and regional offices (Texas, etc., USA)	Farm & Industrial Machinery	Administration, sales, etc.	25,335	2,924	870	2,558	2,100	32,917	1,288
Kubota Manufacturing of America Corporation	Head Factory (Georgia, USA)	Farm & Industrial Machinery	Tractors, outdoor power equipment, construction machinery, and implements	21,542	25,711	511	761	5,758	53,772	2,909
Great Plains Manufacturing Inc. and 16 subsidiaries	Head office and factory (Kansas, USA)	Farm & Industrial Machinery	Implements and construction machinery	15,973	22,607	1,790	909	12,078	51,567	2,102
SIAM KUBOTA Corporation Co., Ltd.	Head office and factories (Pathumthani, etc., THAILAND)	Farm & Industrial Machinery	Tractors, combine harvesters, implements, and horizontal type diesel engines	8,672	8,517	498	4,018	1,844	23,051	2,770
Escorts Kubota Ltd. and 6 subsidiaries	Head office and factories (Haryana, India, etc.)	Farm & Industrial Machinery	Tractors and construction machinery	4,997	13,059	(365) 474	17,930	2,947	38,933	4,371

(Note)

The figure in parentheses is the area of leased land. The leased land is primarily used as manufacturing bases.

3. Plans for Capital Investment and Disposals of Property, Plant, and Equipment

The Company develops capital investment plans based on comprehensive consideration of future business demand, cash flows, and other factors.

Planned capital investment for the year ending December 31, 2026, is approximately ¥160.0 billion. The Company intends to fund its capital investment primarily through internally generated funds and partially through borrowings from financial institutions.

The following are plans for material capital investments:

(As of December 31, 2025)

Company name (Location)	Reportable segment	Description	Estimated amount of expenditures		Schedule	
			Total amount of expenditures	Amount already paid	Commenced	To be completed
Kubota Corporation Okajima Business Center (Taisho-ku, Osaka, JAPAN)	Farm & Industrial Machinery	Investments for improving productivity of high value-added casting and implementing BCP	(millions of JPY) 29,850	(millions of JPY) 16,018	October 2019	December 2028
Kubota Corporation Head Office (Naniwa-ku, Osaka, JAPAN)	Farm & Industrial Machinery	Investments for establishing enterprise resource planning system	(millions of JPY) 53,610	(millions of JPY) 44,331	December 2019	December 2026
Kubota Corporation Sakai Rinkai Plant (Nishi-ku, Sakai-shi, Osaka, JAPAN)	Farm & Industrial Machinery	Investments for implementing BCP	(millions of JPY) 29,200	(millions of JPY) 28,429	January 2021	October 2026
Kubota Corporation Tsukuba Plant (Tsukubamirai-shi, Ibaraki, JAPAN)	Farm & Industrial Machinery	Investments for implementing BCP and constructing training facilities	(millions of JPY) 16,600	(millions of JPY) 13,747	March 2021	February 2026
Kubota Corporation Hirakata Plant (Hirakata-shi, Osaka, JAPAN)	Farm & Industrial Machinery	Investments in equipment to expand production of compact construction machinery	(millions of JPY) 19,930	(millions of JPY) 13,473	July 2022	December 2026
Great Plains Manufacturing, Inc. (Kansas, USA)	Farm & Industrial Machinery	Investments in equipment to expand production of compact construction machinery	(millions of USD) 85	(millions of USD) 65	January 2024	June 2026
Kubota Corporation Hirakata Plant (Hirakata-shi, Osaka, JAPAN)	Water & Environment	Investments for upgrading production facilities of reformer and cracking tubes and implementing BCP	(millions of JPY) 10,790	(millions of JPY) 55	August 2024	March 2031

There are no material plans for disposals of property, plant, and equipment.

4. Information on Kubota Corporation

1. Information on the Shares of Kubota Corporation

(1) Total Number of Shares

1) Total Number of Shares

Class	Total number of shares authorized to be issued (shares)
Common shares	1,874,700,000
Total	1,874,700,000

2) Issued Shares

Class	Number of shares issued as of end of period (shares) (December 31, 2025)	Number of shares issued as of filing date (shares) (March 16, 2026)	Stock exchange on which Kubota Corporation is listed	Description
Common shares	1,138,716,846	1,138,716,846	Tokyo Stock Exchange (the Prime Market)	The number of shares per unit is 100 shares.
Total	1,138,716,846	1,138,716,846	—	—

(2) Information on Stock Option Plans

1) Details of Stock Option Plans

Not applicable.

2) Information on Shareholder Right Plans

Not applicable.

3) Information on other Stock Option Plans

Not applicable.

(3) Information on Moving Strike Convertible Bonds

Not applicable.

(4) Changes in the Total Number of Issued Shares, the Amount of Common Shares, and Other

Date	Changes in the total number of issued shares (thousands of shares)	Balance of the total number of issued shares (thousands of shares)	Changes in common shares (millions of yen)	Balance of common shares (millions of yen)	Changes in capital reserve (millions of yen)	Balance of capital reserve (millions of yen)
December 30, 2021 (Note)	(8,330)	1,200,246	¥ —	¥ 84,130	¥ —	¥ 73,117
September 30, 2022 (Note)	(9,240)	1,191,006	¥ —	¥ 84,130	¥ —	¥ 73,117
July 31, 2023 (Note)	(9,930)	1,181,076	¥ —	¥ 84,130	¥ —	¥ 73,117
December 28, 2023 (Note)	(4,410)	1,176,666	¥ —	¥ 84,130	¥ —	¥ 73,117
December 27, 2024 (Note)	(25,770)	1,150,896	¥ —	¥ 84,130	¥ —	¥ 73,117
December 26, 2025 (Note)	(12,180)	1,138,716	¥ —	¥ 84,130	¥ —	¥ 73,117

(Note)

The decrease is due to the retirement of treasury shares.

(5) Shareholders Composition

(As of December 31, 2025)

Class of shareholders	Status of shares (one unit of shares: 100 shares)								Number of shares less than one unit (shares)
	National and local governments	Financial institutions	Financial instruments business operators	Other institutions	Overseas shareholders			Total	
					Other than individuals	Individuals	Individuals and others		
Number of shareholders	—	133	51	1,067	862	407	113,334	115,854	—
Share Ownership (units)	—	5,185,365	514,438	334,233	4,198,800	1,476	1,144,254	11,378,566	860,246
Ownership percentage of shares (%)	—	45.57	4.52	2.94	36.90	0.01	10.06	100.00	—

(Notes)

- Treasury shares of 305,901 shares (3,059 units) are included in the *Individuals and others* column, and a share is included in the *Number of shares less than one unit* column. Treasury shares do not include 1,009,197 shares (10,091 units) of Kubota Corporation held by the trust in connection with the stock compensation plan. The same applies hereinafter in 4. *Information on Kubota Corporation* section.
- The *Other institution* column includes 10 units registered in the name of Japan Securities Depository Center, Incorporated.

(6) Major Shareholders

(As of December 31, 2025)

Name	Address	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8-1, Akasaka 1-chome, Minato-ku, Tokyo, JAPAN	172,039	15.11
Custody Bank of Japan, Ltd. (Trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo, JAPAN	71,250	6.26
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo, JAPAN	62,542	5.49
Meiji Yasuda Life Insurance Company	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, JAPAN	59,929	5.26
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, MA, USA (15-1, Konan 2-chome, Minato-ku, Tokyo, JAPAN)	27,026	2.37
Sumitomo Mitsui Banking Corporation	1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, JAPAN	25,252	2.22
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo, JAPAN	22,096	1.94
STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy: Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, MA, USA (15-1, Konan 2-chome, Minato-ku, Tokyo, JAPAN)	18,903	1.66
Kubota Group Fund	2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka, JAPAN	16,361	1.44
National Mutual Insurance Federation of Agricultural Cooperatives	7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo, JAPAN	15,503	1.36
Total	—	490,904	43.12

(Notes)

- Treasury shares, which are deducted when calculating the ownership percentage to the total number of issued shares, do not include 1,009 thousand shares of Kubota Corporation held by the trust in connection with the stock compensation plan.
- The shares held by The Master Trust Bank of Japan, Ltd. (Trust account) and Custody Bank of Japan, Ltd. (Trust account) are invested as their fiduciary services.
- The change report pertaining to the large shareholding report by Massachusetts Financial Services Company dated December 22, 2022, is available for public inspection. However, the information in the report is not stated in the preceding table since Kubota Corporation has not confirmed the actual status of shareholdings as of the record date for the exercise of voting rights. A summary of the report as of December 15, 2022, is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
Massachusetts Financial Services Company	44,811	3.76
MFS Investment Management K.K.	1,570	0.13
Total	46,382	3.89

- The change report pertaining to the large shareholding report by BlackRock Japan Co., Ltd. dated July 18, 2025, is available for public inspection. However, the information in the report is not stated in the preceding table since Kubota Corporation has not confirmed the actual status of shareholdings as of the record date for the exercise of voting rights. A summary of the report as of July 15, 2025, is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
BlackRock Japan Co., Ltd.	21,406	1.86
BlackRock Advisers, LLC	1,156	0.10
BlackRock Financial Management, Inc.	1,859	0.16
BlackRock (Netherlands) B.V.	3,643	0.32
BlackRock Fund Managers Ltd.	11,601	1.01
BlackRock Asset Management Ireland Ltd.	7,851	0.68
BlackRock Fund Advisors	20,289	1.76
BlackRock Institutional Trust Company, N.A.	12,563	1.09
BlackRock Investment Management (UK) Ltd.	1,326	0.12
Total	81,698	7.10

5. The change report pertaining to the large shareholding report by Mizuho Bank, Ltd. dated August 7, 2025, is available for public inspection. However, the information in the report is not stated in the preceding table, except for Mizuho Bank, Ltd., since Kubota Corporation has not confirmed the actual status of shareholdings as of the record date for the exercise of voting rights. A summary of the report as of July 31, 2025, is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
Mizuho Bank, Ltd.	22,096	1.92
Asset Management One Co., Ltd.	24,805	2.16
Total	46,901	4.08

6. The change report pertaining to the large shareholding report by Sumitomo Mitsui Trust Bank, Ltd., dated September 19, 2025, is available for public inspection. However, the information in the report is not stated in the preceding table since Kubota Corporation has not confirmed the actual status of shareholdings as of the record date for the exercise of voting rights. A summary of the report as of September 15, 2025, is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
Sumitomo Mitsui Trust Bank, Ltd.	13,726	1.19
Sumitomo Mitsui Trust Asset Management Co., Ltd.	32,567	2.83
Amova Asset Management Co., Ltd.	27,333	2.37
Total	73,627	6.40

7. The large shareholding report by Nomura Securities Co., Ltd. dated January 8, 2026, is available for public inspection. However, the information in the report is not stated in the preceding table since Kubota Corporation has not confirmed the actual status of shareholdings as of the record date for the exercise of voting rights. A summary of the report as of December 31, 2025, is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
Nomura Securities Co., Ltd.	1,734	0.15
Nomura International plc	103	0.01
Nomura Asset Management Co., Ltd.	56,121	4.93
Total	57,960	5.09

8. The large shareholding report by Mitsubishi UFJ Financial Group dated January 9, 2026, is available for public inspection. However, the information in the report is not stated in the preceding table since Kubota Corporation has not confirmed the actual status of shareholdings as of the record date for the exercise of voting rights. A summary of the report as of December 29, 2025, is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
MUFG Bank, Ltd.	12,733	1.12
Mitsubishi UFJ Trust and Banking Corporation	19,763	1.74
Mitsubishi UFJ Asset Management Co., Ltd.	12,259	1.08
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	11,519	1.01
MUFG Securities (Canada), Ltd.	1,397	0.12
Total	57,673	5.06

(7) Information on Voting Rights

1) Issued Shares

(As of December 31, 2025)

Classification		Number of shares (shares)	Number of voting rights	Description
Shares without voting rights		—	—	—
Shares with restricted voting rights (treasury shares, etc.)		—	—	—
Shares with restricted voting rights (others)		—	—	—
Shares with full voting rights (treasury shares, etc.)	(Treasury shares) Common shares:	305,900	—	—
	(Crossholding shares) Common shares:	718,400	—	—
Shares with full voting rights (others)	Common shares:	1,136,832,300	11,368,323	—
Shares less than one unit	Common shares:	860,246	—	Shares less than one unit (100 shares)
Number of issued shares		1,138,716,846	—	—
Total number of voting rights		—	11,368,323	—

(Note)

Shares with full voting rights (others) column includes 1,000 shares (10 voting rights) registered under the name of Japan Securities Depository Center, Incorporated, as well as 1,009,197 shares (10,091 voting rights) of Kubota Corporation held by the trust in connection with the stock compensation plan.

2) Treasury Shares

(As of December 31, 2025)

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
(Treasury shares)					
Kubota Corporation	2-47, Shikitsu Higashi 1- chome, Naniwa-ku, Osaka, JAPAN	305,900	—	305,900	0.03
(Crossholding shares)					
Akita Kubota Corporation	295-38, Terauchikamiyashiki, Akita-shi, Akita, JAPAN	41,400	—	41,400	0.00
Minami Tohoku Kubota Corporation	2-4 Arai Higashi 1-chome, Wakabayashi-ku, Sendai-shi, Miyagi, JAPAN	102,000	—	102,000	0.01
Hokuriku Kinki Kubota Corporation	956-1, Shimokashiwanomachi, Hakusan-shi, Ishikawa, JAPAN	9,000	—	9,000	0.00
Fukuoka Kyushu Kubota Corporation	11-36, Noma 1-chome, Minami-ku, Fukuoka-shi, Fukuoka, JAPAN	566,000	—	566,000	0.05
Total crossholding shares	—	718,400	—	718,400	0.06
Total	—	1,024,300	—	1,024,300	0.09

(Note)

Treasury shares do not include shares of Kubota Corporation held by the trust in connection with the stock compensation plan.

(8) Director and Employee Stock Ownership Plan

Kubota Corporation has introduced the stock compensation plan using a trust for Directors, excluding Outside Directors, in accordance with a resolution of the 132nd General Meeting of Shareholders held on March 18, 2022, and for Outside Directors in accordance with a resolution of the 135th General Meeting of Shareholders held on March 21, 2025.

Kubota Corporation has also introduced a stock compensation plan for Senior Executive Officers and Executive Officers.

Under these plans, a trust established by the Company acquires shares of Kubota Corporation's common stock (the "Company shares"), and the Company shares equivalent to the number of points granted by Kubota Corporation to its Directors, Senior Executive Officers, and Executive Officers (collectively, the "Target") are delivered to the Target through this trust. By concluding a transfer restriction agreement between Kubota Corporation and the Target, shares concerned are transfer restricted until their retirement.

The Company has also made an additional cash contribution to the restricted stock trust (hereinafter, "RS trust") to secure funds for the acquisition of the Company's shares on March 3, 2026.

A summary of each trust under the Plan is as follows:

	RS Trust for Directors and Senior Management	RS Trust for Executive Officers
Trustor	Kubota Corporation	
Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-trust trustee: Custody Bank of Japan, Ltd.)	
Beneficiaries	Directors and Senior Executive Officers who satisfy the beneficiary requirements	Executive Officers who satisfy the beneficiary requirements
Trust administrator	Akasaka International Accounting Co., Ltd.	
Exercise of voting rights	No voting rights pertaining to the shares in the trust shall be exercised throughout the term of the trust	
Type of the trust	Cash in trust other than money trusts (with third-party beneficiaries)	
Trust agreement date	May 19, 2022	
Date entrusted	May 19, 2022	May 19, 2022 and March 3, 2026
Number of shares held by the trust (as of submission date of Annual Securities Report)	1,005,225 shares	283,972 shares
Trust termination date	April 30, 2027 (planned)	April 30, 2027 (planned)

2. Information on Acquisition of Treasury Shares

Class of Shares: Acquisition of common shares under Article 155, Items 3 and 7 of the Companies Act of Japan (hereinafter, the "Act").

(1) Acquisition of Treasury Shares Resolved at the General Meeting of Shareholders

Not applicable.

(2) Acquisition of Treasury Shares Resolved at the Meetings of the Board of Directors

Acquisition of common shares under Article 155, Item 3 of the Act

Classification	Number of shares (shares)		Total amount (Yen)
Details on resolution at the Meeting of the Board of Directors held on April 22, 2025 (Term of validity: from April 23, 2025, to December 15, 2025)	16,000,000	¥	20,000,000,000
Treasury shares acquired before the year ended December 31, 2025	—		—
Treasury shares acquired in the year ended December 31, 2025	12,457,100		19,999,874,050
Treasury shares not acquired in the year ended December 31, 2025	3,542,900		125,950
Percentage of remaining treasury shares not acquired as of December 31, 2025 (%)	22.1		0.0
Treasury shares acquired during the current period	—		—
Percentage of remaining treasury shares not acquired as of filing date (%)	22.1		0.0

(3) Details of Acquisition of Treasury Shares Not Based on the Resolutions of the General Meeting of Shareholders or the Meetings of the Board of Directors

Acquisition of common shares under Article 155, Item 7 of the Act

Classification	Number of shares (shares)		Total amount (Yen)
Treasury shares acquired in the year ended December 31, 2025	1,854	¥	3,498,157
Treasury shares acquired during the current period	260		674,602

(Note)

Treasury shares acquired during the current period do not include shares consisting of less than one unit purchased during the period from March 1, 2026, to the filing date of this Annual Securities Report.

(4) Status of the Disposition and Holding of Acquired Treasury Shares

Classification	Year ended December 31, 2025		Current period	
	Number of shares (shares)	Total disposition amount (Yen)	Number of shares (shares)	Total disposition amount (Yen)
Acquired treasury shares offered to subscribers	—	¥ —	—	¥ —
Acquired treasury shares which were retired	12,180,000	19,564,368,600	—	—
Acquired treasury shares which were transferred due to merger, share exchange, or company split	—	—	—	—
Others (sale of shares less than one unit)	24	39,557	—	—
Total number of treasury shares held	305,901	—	306,161	—

(Note)

Number of shares and *Total disposition amount* during the current period do not include shares consisting of less than one unit acquired or sold during the period from March 1, 2026, to the filing date of this Annual Securities Report.

3. Dividend Policy

Kubota Corporation considers the appropriate return of profits to shareholders to be one of its most important management issue and strives to enhance such returns, while maintaining sound management and responding to the future business environment.

Kubota Corporation's basic dividend policy is to maintain and enhance stable dividends, and to flexibly purchase and retire treasury shares. The amount of dividends is determined based on comprehensive consideration of business performance trends, financial position, total return ratio, and other factors. Kubota Corporation has adopted a policy of determining the use of surplus in consideration of maintaining sound management and responding to the future business environment.

Based on the above policy, ¥25 per share was declared as the year-end dividend for the year ended December 31, 2025. As a result, the total annual dividend, including the interim dividend of ¥25 per share, will be ¥50 per share.

The Company's basic policy is to pay dividends from surplus twice a year, an interim dividend and a year-end dividend, and the Board of Directors is the decision-making body for these dividends.

Kubota Corporation stipulates in its Articles of Incorporation the possibility of resolution of interim dividends, which is defined under Article 454, paragraph 5 of the Act. For further details, refer to 5. *Stock-Related Administration of Kubota Corporation*.

Dividends whose record dates belong to the current fiscal year are as follows:

Date of resolution		Cash dividends (millions of yen)		Cash dividends per share (Yen)
The Meeting of the Board of Directors on August 5, 2025	¥	28,460	¥	25.00
The Meeting of the Board of Directors on February 12, 2026	¥	28,460	¥	25.00

The amount of dividends pursuant to the resolution of the Meeting of the Board of Directors on August 5, 2025, and February 12, 2026, includes dividends of ¥25 million with respect to shares of Kubota Corporation held by the trust in connection with the stock compensation plan.

4. Corporate Governance

(1) Corporate Governance

1) Basic Policy on Corporate Governance

Kubota Corporation has set forth the long-term vision “GMB2030” and is striving to enhance sustainable corporate value as it aims to become an “Essentials Innovator for Supporting Life,’ committed to a prosperous society and cycle of nature.” To realize this long-term vision, Kubota Corporation has formulated the Mid-term Business Plan 2030 and is taking steps to further strengthen corporate governance in order to enhance the soundness, efficiency, and transparency of its management.

2) Corporate Governance Structure

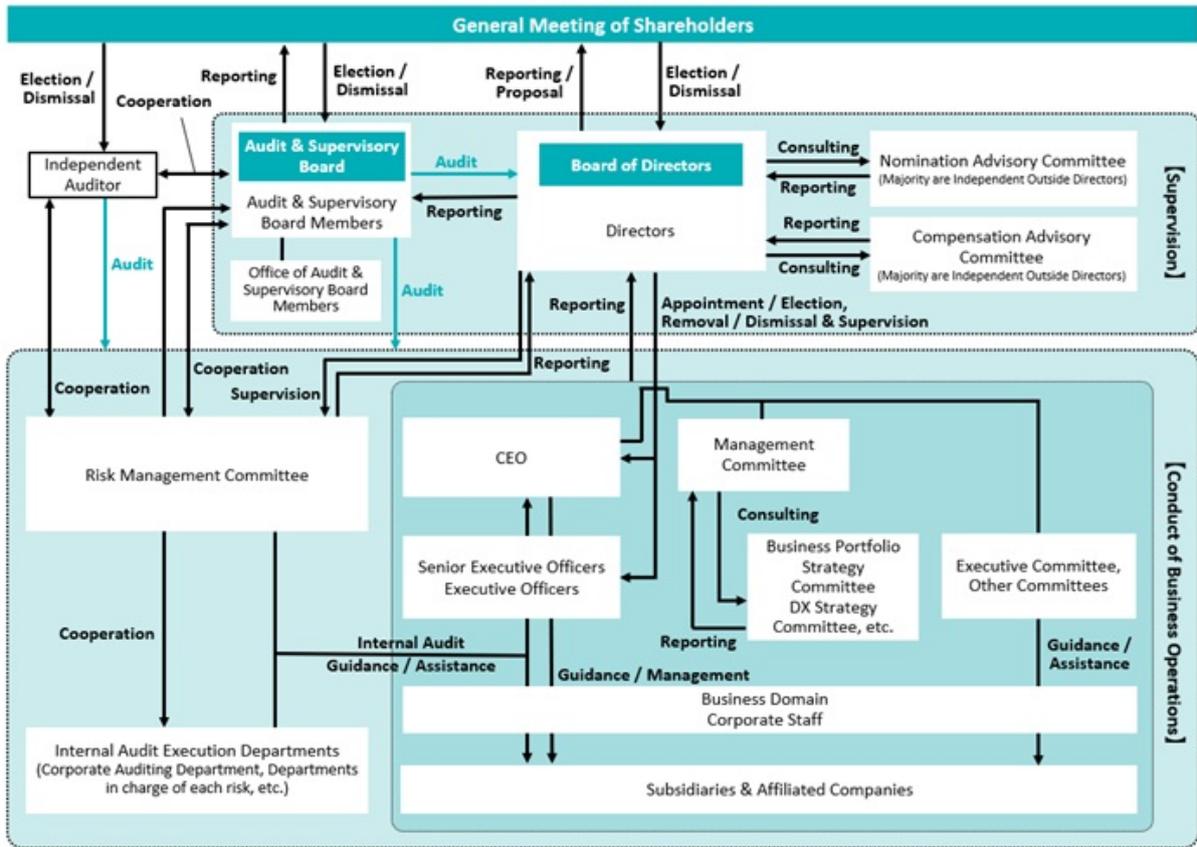
a) Outline of Corporate Governance Structure and Reasons for Such Structure

Kubota Corporation is a company with the Audit & Supervisory Board and established a voluntary Nomination Advisory Committee and Compensation Advisory Committee.

In addition, Kubota Corporation has adopted the Senior Executive Officers and Executive Officers System to strengthen management and supervisory functions, and accelerate decision-making through clarification of responsibility for business execution and the transfer of authority. The Company ensures the separation of supervision and execution by delegating an appropriate range of decision-making authority to Senior Executive Officers and other management personnel at the Management Committee, etc. Furthermore, under the Chief Officer system, each C-suite has global, company-wide responsibility and authority for their respective functions, which enhances each function's expertise and strengthens governance from a company-wide perspective. Delegation of authority from the CEO also helps accelerate decision-making.

Kubota Corporation has a wide range of business domains that include the areas of food, water, and environment. The Board of Directors, based on the perspectives of internal Directors who are well versed in their respective businesses and the objective viewpoints and wide-ranging knowledge of Outside Directors, makes decisions on major fundamental management policies, and monitors and supervises the execution of duties by Senior Executive Officers and Executive Officers. Audit & Supervisory Board Members, who are legally independent, perform monitoring functions with high audit capabilities. Kubota Corporation has determined that the establishment of the voluntary Nomination Advisory Committee and Compensation Advisory Committee, where a majority of members are Outside Directors, will ensure objectivity and transparency in the personnel affairs and remuneration of the Directors and Senior Management, and promote sustainable growth and enhance its corporate value in the Mid-Term, while ensuring sound, efficient, and effective management.

In order to realize aforementioned management structure, Kubota Corporation has adopted the following corporate governance structure as of the submission date of the Annual Securities Report.



Subject to the approval of the resolutions proposed for the 136th Ordinary General Meeting of Shareholders scheduled for March 19, 2026, including “Election of Ten Directors,” and “Election of Three Audit & Supervisory Board Members,” the Company’s Board of Directors will consist of ten Directors (five of whom will be Outside Directors), and the Audit & Supervisory Board will continue to comprise six members (three of whom will be Outside Audit & Supervisory Board Members). In addition, the Nomination Advisory Committee and the Compensation Advisory Committee will each consist of seven Directors (five of whom will be Outside Directors), and an Outside Audit & Supervisory Board Member will be appointed as an observer to both committees.

The Board of Directors makes strategic decisions and oversees the execution of duties by Directors, Senior Executive Officers and Executive Officers. The Board of Directors meets monthly as a regular meeting and as needed to discuss and make decisions on important management issues based on the annual agenda discussed and set by the Board of Directors, including management planning, financial planning, investment, business restructuring, and governance.

The number of Board of Directors held during the year ended December 31, 2025, was 14, and the attendance of Directors was as follows:

Position	Name	Number of attendances	Attendance rate
President and Representative Director	Yuichi Kitao	14	100%
Representative Director and Executive Vice President Director	Shingo Hanada	14	100%
	Masato Yoshikawa	14	100%
Director	Dai Watanabe	14	100%
Director	Eiji Yoshioka	14	100%
Director and Senior Managing Executive Officer	Hiroto Kimura	14	100%
	Outside Director	Yutaro Shintaku	14
Outside Director	Kumi Arakane	14	100%
Outside Director	Koichi Kawana	14	100%
Outside Director	Yuri Furusawa	14	100%
Outside Director	Yoshinori Yamashita	10	(Note 1) 91%
Outside Director	Yuzuru Matsuda	3	(Note 2) 100% (Note 3)

(Note)

1. The attendance rate is calculated including Board of Directors meetings attended by the Outside Audit & Supervisory Board Member as an Outside Audit & Supervisory Board Member up to their resignation on March 21, 2025.
2. The attendance rate is calculated based on Board of Directors meetings held after assuming office on March 21, 2025.
3. The attendance rate is calculated based on Board of Directors meetings held prior to the resignation on March 21, 2025.

Subject to the approval of the resolutions proposed for the 136th Ordinary General Meeting of Shareholders scheduled for March 19, 2026, including “Election of Ten Directors,” and “Election of Three Audit & Supervisory Board Members,” the Board of Directors will consist of ten Directors (including five Outside Directors), and the composition of its members is as described in (2) *Directors and Senior Management 1) List of Directors and Senior Management b)*.

The following is a summary of specific considerations at the Board of Directors in the year ended December 31, 2025, excluding those required by laws and regulations.

Themes	Specific considerations
Management plan	Management policy, management structure
Investment and business restructuring	Business plan, capital investment plan, other important investments and business restructuring
Governance	Evaluation of the effectiveness of the Board of Directors, risk management, compliance, assignment of Directors, Audit & Supervisory Board Members, Senior Executive Officers and Executive Officers, and remuneration of Directors and Senior Management

In addition, the Company regularly holds "Value Up Discussion Meetings" (hereinafter, the "VUDM"), where members of the Board of Directors discuss topics that contribute to the sustainable growth of the Company and the enhancement of its corporate value over the Mid-Term. The Company does not position the VUDM as a decision-making body, but rather for the purpose of exchanging views and sharing information, and the content of discussions is communicated to the execution side as appropriate.

The VUDM was held six times during the year ended December 31, 2025, and focused on key themes related to the formulation of the Mid-Term Business Plan commencing in 2026. Specifically, reflecting the opinions of Outside Directors, the Directors and Audit & Supervisory Board Members first deepened their understanding of the business model in North America, which is strategically important. On that basis, discussions then focused on the Mid-Term strategies for Farm & Industrial Machinery and Water & Environment businesses, as well as the overall strategy for research and development. In addition, discussions were also held on the financial targets of the Mid-Term Business Plan, taking into account the importance of ensuring profitability exceeds the cost of capital and promoting management with a focus on capital efficiency. Through these discussions, executive departments incorporated opinions from VUDM into the draft Mid-Term Business Plan, which was subsequently discussed again at the VUDM. Following the deliberations and resolutions by the Board of Directors, these efforts led to the formulation of the Mid-Term Business Plan announced in February 2026.

Audit & Supervisory Board supervises and audits the execution of business by the Directors. The activities of the Audit & Supervisory Board are described in the section, (3) *Status of Audit 1) Status of Audit by Audit & Supervisory Board Members*.

The Nomination Advisory Committee deliberates on the selection of candidates for the Directors, management succession planning, and the selection of the Advisors, and discusses the composition and diversity of Board of Directors' members using a skills matrix. Since the year ended December 31, 2022, the Nomination Advisory Committee has added "matters related to the selection and dismissal of the President and the succession plan" to its deliberation agenda, and actively discusses on the qualities and abilities required for the Company's top management, training methods, and other factors.

The Nomination Advisory Committee met eight times during the year ended December 31, 2025, and a summary of discussions is as follows:

Timing	Topics of meetings
February 2025	Deliberation on the annual agenda for the Nomination Advisory Committee for the year ending December 31, 2025, the evaluation of the President for the year ended December 31, 2024, and the President's target setting for the year ending December 31, 2025.
May 2025	Deliberation on management structural reform and management succession planning.
June 2025	Deliberation on management structural reform.
July 2025	Deliberation on management succession planning and candidates for the Directors.
September 2025	Deliberation on management succession planning and candidates for the Directors.
October 2025 (twice)	Deliberation on management succession planning and candidates for the Directors.
December 2025	Deliberation on the board succession.

The Compensation Advisory Committee deliberates on the consistency of remuneration levels for Directors, Senior Executive Officers, Executive Officers and Special Corporate Advisors, as well as the appropriateness of the remuneration system. Under the current remuneration system, in order to realize the ideal state of the Company as set forth in the long-term vision GMB2030, a competitive remuneration level appropriate for a GMB company is adopted, and an evaluation system that is strongly linked to growth of the Company in the short, medium, and long term is also incorporated.

The Compensation Advisory Committee met five times during the year ended December 31, 2025, and a summary of discussions is as follows:

Timing	Topics of meetings
February 2025 (twice)	Deliberation on annual bonus for the year ended December 31, 2024, and setting targets for evaluation indicators for the year ending December 31, 2025.
October 2025	Deliberation on the selection of comparative companies for remuneration benchmarking and the development of a new remuneration system for Directors and Senior Management for the year ending December 31, 2026.
November 2025	Deliberation on the development of a new remuneration system for Directors and Senior Management for the year ending December 31, 2026.
December 2025	Deliberation on the development of a new remuneration system for Directors and Senior Management for the year ending December 31, 2026.

In order to incorporate an independent and objective perspective, the Nomination Advisory Committee and the Compensation Advisory Committee, which are advisory bodies to the Board of Directors, are chaired by the Outside Director and a majority of their members are Outside Directors.

The membership and attendance of the Nominating Advisory Committee and the Compensation Advisory Committee during the year ended December 31, 2025, were as follows. (◎: chairman; ○: member; △: observer)

Position	Name	Nomination Advisory Committee			Compensation Advisory Committee		
		Member	Number of attendances	Attendance rate	Member	Number of attendances	Attendance rate
Outside Director	Yutaro Shintaku	◎	8	100%	◎	5	100%
Outside Director	Kumi Arakane	○	8	100%	○	5	100%
Outside Director	Koichi Kawana	○	8	100%	○	5	100%
Outside Director	Yuri Furusawa	○	7	100%	○	3	100%
				(Note 1)			(Note 1)
Outside Director	Yoshinori Yamashita	○	7	100%	○	2	67%
				(Note 1)			(Note 1)
Outside Director	Yuzuru Matsuda	○	1	100%	○	2	100%
		(Note 2)		(Note 3)	(Note 2)		(Note 3)
President and Representative Director	Yuichi Kitao	○	8	100%			
Representative Director and Executive Vice President	Shingo Hanada	○	7	100%	○	5	100%
				(Note 1)			
Director	Masato Yoshikawa	○	1	100%	○	5	100%
		(Note 4)		(Note 5)			
Outside Audit & Supervisory Board Member	Yuichi Yamada				△	5	100%

(Notes)

1. The attendance rate is calculated for the Nomination Advisory Committee or Compensation Advisory Committee held after assuming office as a committee member following the 135th Ordinary General Meeting of Shareholders on March 21, 2025.
2. Mr. Matsuda served as chairman of both committees until stepping down as a member at the conclusion of the 135th Ordinary General Meeting of Shareholders on March 21, 2025.
3. The attendance rate is calculated for the Nomination Advisory Committee or the Compensation Advisory Committee held before stepping down as a member at the conclusion of the 135th Ordinary General Meeting of Shareholders on March 21, 2025.
4. The member stepped down at the conclusion of the 135th Ordinary General Meeting of Shareholders on March 21, 2025.
5. The attendance rate is calculated for the Nomination Advisory Committee held before stepping down as a member at the conclusion of the 135th Ordinary General Meeting of Shareholders on March 21, 2025.

In addition, the Company has established the Management Committee to make decisions and deliberate on specific important issues. The Management Committee is responsible for making decisions and deliberating important

management issues, such as investments and loans, based on the Mid-Term business plan. Of the management issues deliberated by the Management Committee, important issues are reported to the Board of Directors.

The following table presents members of each body as of March 16, 2026 (the filing date of the Annual Securities Report).
 (◎: chairman; ○: member; □: attendee; △: observer).

Position	Name	Board of Directors	Nomination Advisory Committee	Compensation Advisory Committee	Audit & Supervisory Board	Management Committee
Chairman and Representative Director	Yuichi Kitao	◎	○			
President and Representative Director, CEO	Shingo Hanada	○	○	○		◎
Director	Masato Yoshikawa	○		○		
Director	Dai Watanabe	○				
Director	Eiji Yoshioka	○				
Director	Hiroto Kimura	○				
Outside Director (Independent Executive)	Yutaro Shintaku	○	◎	◎		
Outside Director (Independent Executive)	Kumi Arakane	○	○	○		
Outside Director (Independent Executive)	Koichi Kawana	○	○	○		
Outside Director (Independent Executive)	Yuri Furusawa	○	○	○		
Outside Director (Independent Executive)	Yoshinori Yamashita	○	○	○		
Audit & Supervisory Board Member	Yasuhiko Hiyama	□			◎	△
Audit & Supervisory Board Member	Masashi Tsunematsu	□			○	△
Audit & Supervisory Board Member	Kazushi Ito	□			○	△
Outside Audit & Supervisory Board Member (Independent Executive)	Yuichi Yamada	□		△	○	
Outside Audit & Supervisory Board Member (Independent Executive)	Keijiro Kimura	□			○	
Outside Audit & Supervisory Board Member (Independent Executive)	Setsuko Ino	□			○	
Senior Managing Executive Officer, CTO	Nobushige Ichikawa					○
Senior Managing Executive Officer, CMO	Takanobu Azuma					○
Senior Managing Executive Officer	Wataru Kondo					○
Managing Executive Officer, CHSO	Mampeï Yamamoto					○
Managing Executive Officer, CHRO	Junji Ota					○
Managing Executive Officer, CCQO	Hideo Takigawa					○
Managing Executive Officer, CBPO	Hitoshi Sasaki					○
Executive Officer, CIO	Hiroyuki Tanihara					○

The following table presents members of each body after the Ordinary General Meeting of Shareholders scheduled to be held on March 19, 2026.

(◎: chairman; ○: member; □: attendee; △: observer).

Position	Name	Board of Directors	Nomination Advisory Committee	Compensation Advisory Committee	Audit & Supervisory Board	Management Committee
Chairman and Representative Director	Yuichi Kitao	◎	○	○		
President and Representative Director, CEO	Shingo Hanada	○	○	○		◎
Director and Senior Managing Executive Officer, CTO	Nobushige Ichikawa	○				○
Director and Senior Managing Executive Officer, CMO	Takanobu Azuma	○				○
Director and Senior Managing Executive Officer	Wataru Kondo	○				○
Outside Director (Independent Executive)	Yutaro Shintaku	○	◎	◎		
Outside Director (Independent Executive)	Kumi Arakane	○	○	○		
Outside Director (Independent Executive)	Koichi Kawana	○	○	○		
Outside Director (Independent Executive)	Yuri Furusawa	○	○	○		
Outside Director (Independent Executive)	Yoshinori Yamashita	○	○	○		
Audit & Supervisory Board Member	Masashi Tsunematsu	□			◎	△
Audit & Supervisory Board Member	Kazushi Ito	□			○	△
Audit & Supervisory Board Member	Hideki Mori	□			○	△
Outside Audit & Supervisory Board Member (Independent Executive)	Yuichi Yamada	□	△	△	○	
Outside Audit & Supervisory Board Member (Independent Executive)	Keijiro Kimura	□			○	
Outside Audit & Supervisory Board Member (Independent Executive)	Setsuko Ino	□			○	
Managing Executive Officer, CHSO	Mampeï Yamamoto					○
Managing Executive Officer, CHRO	Junji Ota					○
Managing Executive Officer, CCQO	Hideo Takigawa					○
Managing Executive Officer, CBPO	Hitoshi Sasaki					○
Executive Officer, CIO	Hiroyuki Tanihara					○

b) Status of the Development of Internal Control System

As a basis for ensuring the Directors, Senior Executive Officers, Executive Officers, and employees to execute their duties in compliance with laws, regulations, and the Articles of Incorporation, Kubota Corporation established the Kubota Group Charter for Action & Code of Conduct to be followed by all Directors, Senior Executive Officers, Executive Officers, and employees of the Kubota Group.

Under the Risk Management Committee, a department in charge of management risks (hereinafter, "Department in Charge"), which is designated for each risk category, undertakes education and training to ensure compliance with laws, regulations, and ethics and conducts audits. In addition, Kubota Corporation has established the "Kubota Hot Line" as a contact point for whistle-blower and consultation, based on the "Whistleblowing System Operation Rules" of the Business Rules, which stipulates whistle-blower protection, to ensure early detection and prevention of inappropriate actions, such as violations of laws and regulations.

Kubota Corporation has the Financial Information Disclosure Committee in place in order to review and assess the adequacy of important disclosure documents, such as the Annual Securities Report, and the effectiveness of internal controls over financial reporting.

c) Status of Risk Control Structure and Development of Information Risk Control Structure

Under the Risk Management Committee, the Department in Charge or relevant committees are responsible for Group-wide risk management activities by preparing internal rules, regulations, manuals, and other guidelines to deal with business and operational risks of the entire Kubota Group, such as compliance, environment, health and safety, disasters, and quality. In addition, the Kubota Group Risk Management Committee designates a Department in Charge to respond to new risks that arise in Kubota Corporation, and this department is responsible for risk management.

Kubota Corporation properly stores and manages information on the execution of duties by the Directors, Senior Executive Officers and the Executive Officers in accordance with its in-house rules and regulations, such as the regulations on custody of documents. These documents are available for examination as necessary.

d) Status of System to Ensure Appropriateness of Subsidiaries' Business Performance

To create a Group-wide control environment, Kubota Corporation has established the "Kubota Group Charter for Action" and "Kubota Group Code of Conduct," and the philosophies contained in this charter and code of conduct are shared throughout the Kubota Group. To ensure proper business operations of the Kubota Group, Kubota Corporation sets its in-house rules and regulations and establishes proper internal control systems. The status of the design and operation of internal control systems related to management risks, including the internal control systems over financial reporting, is audited by the internal auditing department and departments in charge, after self-audits performed by each department of Kubota Corporation and its subsidiaries. The results of audits are reported to the Directors in charge, the Risk Management Committee, the President and Representative Director, the Board of Directors, and the Audit & Supervisory Board Members.

Subsidiaries are managed in accordance with Kubota Corporation's subsidiary and affiliate management regulations to ensure the appropriateness of their operations. Subsidiaries report their operations and the status of execution of duties by their Directors to the Department in Charge at Kubota Corporation. Kubota Corporation places importance on the business ties between subsidiaries and operating divisions of Kubota Corporation, and ensures the efficiency of the execution of duties of their Directors by designating primary management departments of subsidiaries, receiving reports on management plans and other matters from subsidiaries, and discussing them at the management committees and other means.

e) Overview of Agreements on Limitation of Liabilities

Pursuant to Article 427, paragraph 1 of the Act, Kubota Corporation enters into agreements with each of the Outside Directors and the Outside Audit & Supervisory Board Members to limit their liabilities for damages. The maximum amount of their liabilities under these agreements is the amount provided for by laws and regulations.

f) Overview of Directors and Officers Liability Insurance

Kubota Corporation has a Directors and Officers Liability Insurance policy, as stipulated in Article 430-3, paragraph 1 of the Act, insuring all Directors (including Outside Directors) and Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members). The insurance cover liability of Directors and Audit & Supervisory Board Members arising in the performance of their duties and damage claims received pertaining to the pursuit of said liability. However, there are certain exemptions, such as no coverage for liability arising from actions taken with the knowledge that they were in violation of laws and regulations. All insurance premiums are paid by Kubota Corporation.

Kubota Corporation also has similar contracts with Senior Executive Officers and Executive Officers as insured persons.

3) Others

a) Quorum of Directors

As of the submission date of this Annual Securities Report, the Articles of Incorporation of Kubota Corporation state that the number of Directors is to be 13 or less.

b) Requirement for the Adoption of Resolutions for Electing Directors

Kubota Corporation stipulates, in its Articles of Incorporation, that the election of a Director shall be made by a majority of the voting rights of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their voting rights at such meetings are present.

c) Acquisition of Treasury Shares

Kubota Corporation stipulates, in its Articles of Incorporation, that the resolutions at the Meetings of the Board of Directors enable Kubota Corporation to acquire its treasury shares under Article 165, paragraph 2 of the Act, which facilitates Kubota Corporation to exercise the acquisition of treasury shares flexibly.

d) Dividend Appropriated from Surplus

Kubota Corporation stipulates, in its Articles of Incorporation, that unless otherwise provided for by laws and regulations, Kubota Corporation, by resolution of Meetings of the Board of Directors, determines dividends of surplus and other matters set forth in Article 459, paragraph 1 of the Act, as to return profits to shareholders in a flexible manner.

e) Interim Dividends

Kubota Corporation stipulates, in its Articles of Incorporation, that interim dividends shall be paid to shareholders of record on June 30 upon resolution of Meetings of the Board of Directors.

f) Requirement for the Adoption of Special Resolution of General Meeting of Shareholders

Kubota Corporation stipulates, in its Articles of Incorporation, that resolutions of a General Meeting of Shareholders as prescribed in Article 309, paragraph 2 of the Act shall be made by at least two-thirds of the voting rights of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their voting rights at such meetings are present. By relaxing the requirements for a quorum for special resolutions of General Meetings of Shareholders, deliberations for those resolutions can be made in a quick and efficient manner.

(2) Directors and Senior Management

1) List of Directors and Senior Management

a) List of Directors and Senior Management as of the date of submission of the annual securities report is as follows.

Male: 14, Female: 3 (percentage of females among Directors and Audit & Supervisory Board Members: 18%)

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)
Chairman and Representative Director of Kubota Corporation		Yuichi Kitao	Jul. 15, 1956	Apr. 1979	Joined Kubota Corporation	Note 3	173
				Apr. 2005	General Manager of Tractor Engineering Dept. of Kubota Corporation		
				Apr. 2009	Senior Executive Officer, General Manager of Tractor Division of Kubota Corporation		
				Jan. 2011	President of KUBOTA TRACTOR CORPORATION		
				Apr. 2013	Managing Executive Officer of Kubota Corporation		
				Oct. 2013	General Manager of Farm and Utility Machinery Division, General Manager of Farm and Utility Machinery International Operations Headquarters of Kubota Corporation		
				Jun. 2014	Director and Managing Executive Officer of Kubota Corporation		
				Apr. 2015	Director and Senior Managing Executive Officer, General Manager of Farm and Industrial Machinery Domain of Kubota Corporation		
				Jan. 2019	Representative Director and Executive Vice President, General Manager of Farm and Industrial Machinery Consolidated Division of Kubota Corporation		
				Jun. 2019	General Manager of Innovation Center of Kubota Corporation		
				Jan. 2020	President and Representative Director of Kubota Corporation		
				Jan. 2026	Chairman and Representative Director of Kubota Corporation (to present)		

Position	Responsibility	Name	Date of birth	Business experience		Term of office	Share ownership (thousands of shares)
President and Representative Director, CEO of Kubota Corporation		Shingo Hanada	Nov. 14, 1963	Apr. 1989	Joined Kubota Corporation	Note 3	27
				Apr. 2015	General Manager of Tractor Planning and Sales Promotion Dept. of Kubota Corporation		
				Jan. 2017	General Manager of Agricultural Tractor Planning and Sales Promotion Dept. of Kubota Corporation		
				Jan. 2018	General Manager of Outdoor Power Equipment Business Unit, General Manager of Outdoor Power Equipment Business Planning and Development Dept. of Kubota Corporation		
				Jan. 2019	Senior Executive Officer, General Manager of Outdoor Power Equipment Division of Kubota Corporation		
				Feb. 2020	General Manager of Outdoor Power Equipment Business Planning and Development Dept. of Kubota Corporation		
				Jan. 2021	President of Kubota Holdings Europe B.V., President of Kverneland AS		
				Jan. 2022	Managing Executive Officer of Kubota Corporation, President of Kubota North America Corporation, President of KUBOTA TRACTOR CORPORATION		
				Mar. 2023	Director and Managing Executive Officer of Kubota Corporation		
				Jan. 2024	Director and Senior Managing Executive Officer, General Manager of Farm and Industrial Machinery Strategy and Operations Headquarters, Deputy General Manager of Planning and Control Headquarters, Deputy General Manager of Innovation Center of Kubota Corporation		
				Jan. 2025	Representative Director and Executive Vice President, General Manager of Farm and Industrial Machinery Consolidated Division, General Manager of Innovation Center of Kubota Corporation		
				Jan. 2026	President and Representative Director, CEO of Kubota Corporation (to present)		

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)
Director of Kubota Corporation	President's Missions	Special Masato Yoshikawa	Jan. 27, 1959	Apr. 1984	Joined Kubota Corporation	Note 3	98
				Feb. 2008	General Manager of Ductile Iron Pipe Planning Dept. of Kubota Corporation		
				Oct. 2009	General Manager of Pipe Systems Planning Dept. of Kubota Corporation		
				Oct. 2010	General Manager of Corporate Planning and Control Dept. of Kubota Corporation		
				Apr. 2012	Senior Executive Officer of Kubota Corporation		
				Oct. 2013	President of KUBOTA TRACTOR CORPORATION		
				Apr. 2015	Managing Executive Officer of Kubota Corporation		
				Mar. 2017	Director and Managing Executive Officer of Kubota Corporation		
				Jan. 2018	Director and Senior Managing Executive Officer of Kubota Corporation		
				Jan. 2019	General Manager of Planning and Control Headquarters, General Manager of Global IT Management Dept. of Kubota Corporation		
				Apr. 2019	General Manager of Global ICT Headquarters of Kubota Corporation		
				Jan. 2020	Director and Executive Vice President of Kubota Corporation		
				Jan. 2022	Representative Director and Executive Vice President of Kubota Corporation		
				Jan. 2024	General Manager of Human Resources and General Affairs Headquarters, In charge of ESG Promotion, General Manager of Head Office, General Manager of Kubota Technical Training Center of Kubota Corporation		
				Jan. 2025	Director (to present), President's Special Missions (to present) of Kubota Corporation		
Director of Kubota Corporation	President's Missions	Special Dai Watanabe	Oct. 2, 1958	Apr. 1984	Joined Kubota Corporation	Note 3	113
				Jun. 2008	General Manager of Farm and Industrial Machinery International Planning and Control Dept. of Kubota Corporation		
				Jan. 2012	President of Kubota Europe S.A.S.		
				Apr. 2013	Senior Executive Officer of Kubota Corporation		
				Feb. 2014	President of Kubota Farm Machinery Europe S.A.S.		
				Dec. 2014	President of Kverneland AS		
				Sep. 2016	General Manager of Agricultural Implement Business Unit of Kubota Corporation		
				Jan. 2017	Managing Executive Officer, General Manager of Agricultural Implement Division of Kubota Corporation		
				Oct. 2017	President of Kubota Holdings Europe B.V.		
				Jan. 2018	General Manager of Agricultural Implement Division of Kubota Corporation		
				Jan. 2019	Senior Managing Executive Officer, General Manager of Farm and Industrial Machinery Strategy and Operations Headquarters of Kubota Corporation		
				Mar. 2019	Director and Senior Managing Executive Officer of Kubota Corporation		
				Jun. 2019	Deputy General Manager of Innovation Center of Kubota Corporation		
				Jan. 2020	General Manager of Farm and Industrial Machinery Consolidated Division, General Manager of Innovation Center of Kubota Corporation		
				Jan. 2023	Director and Executive Vice President of Kubota Corporation		
Jan. 2025	Director (to present), President's Special Missions (to present) of Kubota Corporation						

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)
Director of Kubota Corporation	President's Missions	Special Eiji Yoshioka	Nov. 17, 1958	Apr. 1981 Apr. 2005	Joined Kubota Corporation General Manager of Quality Assurance and Manufacturing Promotion Dept. of Kubota Corporation Apr. 2010 General Manager of Tsukuba Plant of Kubota Corporation Apr. 2013 General Manager of Air Conditioning Equipment Business Unit of Kubota Corporation, President of Kubota Air Conditioner Co., Ltd. Jan. 2016 Senior Executive Officer, General Manager of Materials Division of Kubota Corporation Jan. 2019 Responsible for Special Tasks Assigned by President of Kubota Corporation Jan. 2020 Managing Executive Officer, General Manager of Pipe Systems and Infrastructure Division of Kubota Corporation Jan. 2022 Senior Managing Executive Officer, General Manager of Water and Environment Infrastructure Consolidated Division, Deputy General Manager of Innovation Center, General Manager of Tokyo Head Office of Kubota Corporation Mar. 2023 Director and Senior Managing Executive Officer of Kubota Corporation Jan. 2025 Director (to present), President's Special Missions (to present) of Kubota Corporation	Note 3	49
Director of Kubota Corporation		Hiroto Kimura	May 6, 1961	Apr. 1984 Apr. 2007 Apr. 2010 Aug. 2010 Jan. 2017 Sep. 2019 Jan. 2020 Jan. 2021 Mar. 2022 Sep. 2022 Jan. 2023 Jan. 2025 Jan. 2026	Joined Kubota Corporation General Manager of Rice Transplanter Engineering Dept. of Kubota Corporation General Manager of Thai Technical Information Center, Farm and Industrial Machinery Research Dept. of Kubota Corporation Vice president of SIAM KUBOTA Corporation Co., Ltd. Senior Executive Officer of Kubota Corporation, President of SIAM KUBOTA Corporation Co., Ltd. President of Kubota Research and Development Asia Co., Ltd. Managing Executive Officer, Deputy General Manager of Innovation Center, Deputy General Manager of Research and Development Headquarters, Deputy General Manager of ASEAN Farm and Industrial Machinery Strategy and Operations Headquarters of Kubota Corporation General Manager of Research and Development Headquarters, General Manager of Carbon Neutral Promotion Dept. of Kubota Corporation Director and Managing Executive Officer of Kubota Corporation General Manager of Kubota Global Institute of Technology of Kubota Corporation Director and Senior Managing Executive Officer of Kubota Corporation Deputy General Manager of Farm and Industrial Machinery Consolidated Division of Kubota Corporation Director of Kubota Corporation (to present)	Note 3	45

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)
Director of Kubota Corporation		Yutaro Shintaku	Sep. 19, 1955	Apr. 1979	Joined Toa Nenryo Kogyo K.K. (currently, ENEOS Corporation)	Note 3	16
				Jan. 1999	Joined Terumo Corporation		
				Jun. 2005	Executive Officer of Terumo Corporation		
				Jun. 2006	Director and Executive Officer of Terumo Corporation		
				Jun. 2007	Director and Senior Executive Officer, In charge of R&D Center, Intellectual Property Dept. and Legal Dept. of Terumo Corporation		
				Jun. 2009	Director and Managing Executive Officer, General Manager of Strategy Planning Dept., In charge of Human Resources Dept. and Accounting & Finance Dept. of Terumo Corporation		
				Jun. 2010	President and Representative Director of Terumo Corporation		
				Apr. 2017	Director and Advisor of Terumo Corporation		
				Jun. 2017	Director of Santen Pharmaceutical Co., Ltd. Director of J-Oil Mills, Inc.		
				Mar. 2018	Director of Kubota Corporation (to present)		
				Apr. 2018	Visiting Professor of Hitotsubashi University Business School		
				Apr. 2019	Special Professor of Hitotsubashi University Business School (to present)		
				Sep. 2019	Director of KOZO KEIKAKU ENGINEERING Inc.		
				Jul. 2024	Director of KOZO KEIKAKU ENGINEERING HOLDINGS Inc. (to present)		
Director of Kubota Corporation		Kumi Arakane	Jul. 4, 1956	Apr. 1981	Joined KOBAYASHI KOSÉ COMPANY LIMITED (currently, KOSÉ Corporation)	Note 3	13
				Mar. 2002	Senior Chief Researcher of R&D Headquarters Advanced Cosmetic Research Laboratories of KOSÉ Corporation		
				Mar. 2004	General Manager of Product Development Dept. of KOSÉ Corporation		
				Mar. 2006	Executive Officer, Deputy Director-General of Marketing Headquarters of KOSÉ Corporation		
				Mar. 2010	General Manager of R&D Laboratories of KOSÉ Corporation		
				Mar. 2011	General Manager of Quality Assurance Dept., Marketing Supervisor-General of KOSÉ Corporation		
				Jun. 2011	Director, in charge of Quality Assurance Dept., Customer Service Center, Purchasing Dept., Product Designing Dept. of KOSÉ Corporation		
				Jun. 2017	Audit & Supervisory Board Member of KOSÉ Corporation		
				Mar. 2019	Audit & Supervisory Board Member of Kubota Corporation		
				Mar. 2020	Director of Kagome Co., Ltd. (to present)		
				Jun. 2020	Director of TODA CORPORATION (to present)		
				Mar. 2021	Director of Kubota Corporation (to present)		

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)
Director of Kubota Corporation		Koichi Kawana	Apr. 23, 1958	Apr. 1982	Joined JGC CORPORATION (currently, JGC HOLDINGS CORPORATION)	Note 3	8
				Jul. 1997	General Manager, Abu Dhabi Office; General Manager, Kuwait Office of JGC CORPORATION		
				Jul. 2001	General Manager, London Office of JGC CORPORATION		
				May 2004	General Manager, Project Business Investment Promotion Dept. of JGC CORPORATION		
				Jul. 2007	Executive Officer; General Manager, New Business Promotion Division of JGC CORPORATION		
				Aug. 2007	Senior General Manager, New Business Promotion Division of JGC CORPORATION		
				Jul. 2009	Managing Director; Senior General Manager, Global Marketing Division of JGC CORPORATION		
				Jun. 2010	Representative Director, Senior Executive Vice President of JGC CORPORATION		
				Jul. 2011	Representative Director and President (COO) of JGC CORPORATION		
				Jun. 2012	Representative Director and President of JGC CORPORATION		
				Jun. 2017	Director, Vice Chairman of JGC CORPORATION		
				Jun. 2019	Director of TOKYO ELECTRON DEVICE LIMITED, Director of Bandai Namco Holdings Inc. (to present), Director (Audit and Supervisory Committee Member) of COMSYS Holdings Corporation		
				Jun. 2020	Director of RENOVA, Inc.		
				Dec. 2020	Director of ispace, inc. (to present)		
				Mar. 2023	Director of Kubota Corporation (to present)		
Jun. 2023	Director, Chairman of RENOVA, Inc. (part-time, nonexecutive) (to present)						
Director of Kubota Corporation		Yuri Furusawa	Jul. 22, 1963	Apr. 1986	Joined Ministry of Transport (currently, Ministry of Land, Infrastructure, Transport and Tourism)	Note 3	8
				Dec. 2000	Administrator of Organisation for Economic Co-operation and Development (OECD)		
				Jul. 2004	Director for International Policy Planning, Ministry of Land, Infrastructure, Transport and Tourism		
				Jul. 2006	Director for International Affairs and Crisis Management Division, Japan Coast Guard		
				Jul. 2008	Counsellor of Cabinet Secretariat (Assistant to Assistant Deputy Chief Cabinet Secretary)		
				Aug. 2011	Deputy General Manager of International Sales Department, Shiseido Company, Limited		
				Jul. 2014	Assistant Vice-Minister for International Affairs of Ministry of Land, Infrastructure, Transport and Tourism		
				Sep. 2015	Vice-Commissioner of Japan Tourism Agency		
				Jun. 2016	Councillor of Cabinet Secretariat, Cabinet Bureau of Personnel Affairs		
				Jul. 2019	Minister's Secretariat of Ministry of Land, Infrastructure, Transport and Tourism		
				Mar. 2021	Audit & Supervisory Board Member of Kubota Corporation		
				Jun. 2022	Audit & Supervisory Board Member of SUBARU CORPORATION (to present)		
				Mar. 2025	Director of Kubota Corporation (to present)		

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)
Director of Kubota Corporation		Yoshinori Yamashita	Aug. 22, 1957	Mar. 1980 Feb. 1995 Apr. 2008 Apr. 2010 Apr. 2011 Jun. 2012 Jun. 2016 Apr. 2017 Apr. 2021 Oct. 2021 Apr. 2023 Jun. 2024 Mar. 2025 Apr. 2025 Jul. 2025	Joined Ricoh Company, Ltd. General Manager of Business Planning Division of Ricoh UK Products Ltd. President of Ricoh Electronics, Inc. Group Executive Officer of Ricoh Company Ltd. Corporate Senior Vice President, General Manager of Corporate Planning Division of Ricoh Company, Ltd. Director, Corporate Executive Vice President of Ricoh Company, Ltd. Director, Deputy President of Ricoh Company, Ltd. Representative Director, President and CEO of Ricoh Company, Ltd. Vice Chairperson of Japan Association of Corporate Executives Co-Chair of Japan Climate Leaders' Partnership (JCLP) Representative Director and Chairperson of Ricoh Company, Ltd. Director of Nomura Real Estate Holdings, Inc. (to present) Director of Asahi Kasei Corporation (to present) Director of Kubota Corporation (to present) Director and Chairperson of Ricoh Company, Ltd. (to present) Representative Director of Japan Climate Leaders' Partnership (JCLP) (to present)	Note 3	0
Audit & Supervisory Board Member of Kubota Corporation (Full time)		Yasuhiko Hiyama	Dec. 25, 1957	Apr. 1981 Apr. 2008 Apr. 2010 Apr. 2012 Apr. 2014 Apr. 2015 Jan. 2016 Jan. 2017 Jan. 2018 Mar. 2018	Joined Kubota Corporation President of Kubota Industrial Equipment Corporation General Manager of Tractor Planning and Sales Promotion Dept. of Kubota Corporation General Manager of Farm and Utility Machinery Planning and Sales Promotion Dept. of Kubota Corporation General Manager of Farm and Utility Machinery Business Unit I, General Manager of Farm and Utility Machinery Planning and Sales Promotion Dept. I, General Manager of Farm and Utility Machinery Planning and Sales Promotion Dept. II of Kubota Corporation General Manager of Tractor and Utility Machinery Business Unit of Kubota Corporation Executive Officer of Kubota Corporation General Manager of Compact Tractor, Turf and Utility Vehicle Business Unit of Kubota Corporation Deputy General Manager of Tractor Division of Kubota Corporation Audit & Supervisory Board Member of Kubota Corporation (to present)	Note 4	27
Audit & Supervisory Board Member of Kubota Corporation (Full time)		Masashi Tsunematsu	Mar. 10, 1964	Apr. 1986 Jun. 2010 Jan. 2018 Feb. 2019 Mar. 2022	Joined Kubota Corporation General Manager of Water Engineering & Solution Planning Dept. of Kubota Corporation General Manager of Environmental Business Planning and Sales Dept. of Kubota Corporation General Manager of Water and Environment Infrastructure Management Dept. of Kubota Corporation Audit & Supervisory Board Member of Kubota Corporation (to present)	Note 4	9

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)						
Audit & Supervisory Board Member of Kubota Corporation (Full time)		Kazushi Ito	Sep. 22, 1963	Apr. 1987	Joined Daiwa Securities Co. Ltd.	Note 5	34						
				Apr. 2002	Joined UFJ Capital Markets Securities Co., Ltd., (currently, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)								
				Mar. 2007	Joined Depfa Bank Plc, Tokyo Branch								
				Oct. 2010	Joined Kubota Corporation								
				Apr. 2015	General Manager of Strategic Planning Dept. of Kubota Corporation								
				Jan. 2018	Senior Executive Officer, Deputy General Manager of Planning and Control Headquarters, General Manager of Global Management Promotion Dept. and General Manager of Strategic Planning Dept. of Kubota Corporation								
				Jan. 2020	General Manager of Corporate Planning and Control Dept. of Kubota Corporation								
				Mar. 2024	Audit & Supervisory Board Member of Kubota Corporation (to present)								
				Audit & Supervisory Board Member of Kubota Corporation (Part time)				Yuichi Yamada	Mar. 25, 1954	Oct. 1984	Joined Asahi & Co. (currently, KPMG AZSA LLC)	Note 5	9
										Mar. 1988	Registered as a Certified Public Accountant of Japan		
Aug. 2003	Representative Partner of Asahi & Co. (currently, KPMG AZSA LLC)												
Jun. 2008	Board Member of KPMG AZSA & Co. (currently, KPMG AZSA LLC)												
Sep. 2011	Deputy Tokyo Office Managing Partner of KPMG AZSA LLC												
Jul. 2015	Chairman of Tokyo Partners Meeting of KPMG AZSA LLC												
Jun. 2016	Audit & Supervisory Board Member of Japan Finance Corporation												
Jul. 2016	Representative of Yuichi Yamada Certified Public Accountant Firm (to present)												
Jun. 2017	Audit & Supervisory Board Member of Sumitomo Metal Mining Co., Ltd.												
Mar. 2020	Audit & Supervisory Board Member of Kubota Corporation (to present)												
Audit & Supervisory Board Member of Kubota Corporation (Part time)		Keijiro Kimura	Apr. 14, 1961	Apr. 1987	Registered as an attorney at law of Japan	Note 4	6						
				Jan. 1994	Joined Showa Law Office								
				Jan. 1994	Registered as an attorney at law of New York State								
				May 1998	Established Kyoei Law Office								
				Jun. 2000	Audit & Supervisory Board Member of Okada Aiyon Corporation								
				Sep. 2007	Audit & Supervisory Board Member of NAGAOKA INTERNATIONAL CORPORATION								
				Jun. 2009	Audit & Supervisory Board Member of CHARLE CO., LTD.								
				Jan. 2011	Representative partner of Kyoei Law Office (to present)								
				Mar. 2015	Audit & Supervisory Board Member of Nippon Electric Glass Co., Ltd.								
				Mar. 2022	Audit & Supervisory Board Member of Kubota Corporation (to present)								
Audit & Supervisory Board Member of Kubota Corporation (Part time)		Setsuko Ino	Mar. 18, 1964	Apr. 1988	Joined Suntory Ltd.	Note 6	1						
				Sep. 1994	Joined PepsiCo, Inc.								
				Jul. 2003	Director and General Manager of Accounting & Finance Division of Sun Microsystems Japan K.K.								
				Nov. 2006	CFO and Representative Director of SAP Japan Co, Ltd.								
				Mar. 2012	CFO of Retail Division of Amazon Japan G.K.								
				Jun. 2017	CFO of Asurion Japan K.K.								
				Jan. 2024	Venture Partner of Eight Roads Ventures Japan (to present)								
				Jun. 2024	Audit & Supervisory Board Member of YAMATO HOLDINGS CO., LTD. (to present)								
Mar. 2025	Audit & Supervisory Board Member of Kubota Corporation (to present)												
Total							643						

(Notes)

1. Among the Directors, Yutaro Shintaku, Kumi Arakane, Koichi Kawana, Yuri Furusawa, and Yoshinori Yamashita are the Outside Directors.
2. Among the Audit & Supervisory Board Members, Yuichi Yamada, Keijiro Kimura, and Setsuko Ino are the Outside Audit & Supervisory Board Members.
3. The term of office will expire at the close of the Ordinary General Meeting of Shareholders for the year ended December 31, 2025, and began with the election at the Ordinary General Meeting of Shareholders for the year ended December 31, 2024.
4. The terms of office will expire at the close of the Ordinary General Meeting of Shareholders for the year ended December 31, 2025, and began with the election at the Ordinary General Meeting of Shareholders for the year ended December 31, 2021.
5. The term of office will expire at the close of the Ordinary General Meeting of Shareholders for the year ending December 31, 2027, and began with the election at the Ordinary General Meeting of Shareholders for the year ended December 31, 2023.
6. The term of office will expire at the close of the Ordinary General Meeting of Shareholders for the year ending December 31, 2028, and began with the election at the Ordinary General Meeting of Shareholders for the year ended December 31, 2024.
7. Kubota Corporation has appointed the substitute Outside Audit & Supervisory Board Member as stipulated in Article 329, paragraph 3 of the Act in preparation for a shortage in the number of Outside Audit & Supervisory Board Member stipulated in the law. Brief professional background of the substitute Outside Audit & Supervisory Board Member is as follows:

Name	Date of birth	Business experience		Share ownership (thousands of shares)
Hogara	Jun. 22, 1969	Apr. 1995	Registered as an attorney at law of Japan (to present)	—
Iwamoto		May 2008	Joined Asunaro Law Office	
		May 2010	Representative Partner of Asunaro Legal Professional Corporation, Asunaro Law Office (to present)	
		Apr. 2020	Vice Chairperson of the Osaka Bar Association	

8. Kubota Corporation has adopted the Senior Executive Officer and Executive Officer System and Senior Executive Officers and Executive Officers who do not concurrently serve as the Directors are as follows:

Position	Name	Responsibility
Senior Managing Executive Officer of Kubota Corporation	Nikhil Nanda	Chairman and Managing Director of Escorts Kubota Limited
Senior Managing Executive Officer of Kubota Corporation	Katsuhiko Yukawa	General Manager of Construction Machinery Division
Senior Managing Executive Officer, Chief Technology Officer (CTO) of Kubota Corporation	Nobushige Ichikawa	General Manager of Research and Development Headquarters, General Manager of Technology Development Promotion Unit, General Manager of Kubota Global Institute of Technology
Senior Managing Executive Officer, Chief Manufacturing Officer (CMO) of Kubota Corporation	Takanobu Azuma	General Manager of Manufacturing Promotion Headquarters, General Manager of Farm and Industrial Machinery Global Operating Headquarters, General Manager of ASEAN Farm and Industrial Machinery Strategy and Operations Headquarters
Senior Managing Executive Officer of Kubota Corporation	Wataru Kondo	General Manager of Water and Environment Infrastructure Consolidated Company, General Manager of Tokyo Head Office
Managing Executive Officer of Kubota Corporation	Hirohiko Arai	General Manager of Procurement Headquarters
Managing Executive Officer, Chief Health & Safety Officer (CHSO) of Kubota Corporation	Mampeï Yamamoto	General Manager of Health and Safety Promotion Headquarters
Managing Executive Officer of Kubota Corporation	Shinichi Fukuhara	General Manager of Environmental Solutions Division, General Manager of Resource Circulation Business Unit
Managing Executive Officer of Kubota Corporation	Tomohiro Iitsuka	General Manager of Parts Division
Managing Executive Officer, Chief Human Resources Officer (CHRO) of Kubota Corporation	Junji Ota	General Manager of Human Resources Headquarters, General Manager of Head Office
Managing Executive Officer, Chief Compliance & Quality Officer (CCQO) of Kubota Corporation	Hideo Takigawa	General Manager of Compliance and Risk Management, QA Headquarters
Managing Executive Officer of Kubota Corporation	Takashi Ichikawa	Deputy General Pipe Systems Division
Managing Executive Officer of Kubota Corporation	Toshiyuki Taneda	General Manager of Engine Division
Managing Executive Officer, Chief Business Planning Officer (CBPO) of Kubota Corporation	Hitoshi Sasaki	General Manager of Corporate Planning & Control Headquarters
Managing Executive Officer of Kubota Corporation	Satoshi Suzuki	General Manager of Farm & Groundcare Equipment Division

Position	Name	Responsibility
Senior Executive Officer of Kubota Corporation	Hideki Mori	General Manager of Farm & Groundcare Equipment Division
Executive Officer, Chief ICT Officer (CIO) of Kubota Corporation	Hiroyuki Tanihara	General Manager of Global ICT Headquarters
Executive Officer of Kubota Corporation	Shiro Watanabe	General Manager of Farm and Industrial Machinery Global Customer First Headquarters
Executive Officer of Kubota Corporation	Todd Stucke	General Manager of Agri Solutions Headquarters, President of Kubota North America Corporation
Executive Officer of Kubota Corporation	Hiroyuki Araki	General Manager of Technology Innovation Research and Development Unit, General Manager of Technology Innovation R&D Department I
Executive Officer of Kubota Corporation	Yoshifumi Makino	General Manager of Water and Environmental Solutions Planning and Sales Promotion Headquarters
Executive Officer of Kubota Corporation	Tadahito Suzui	General Manager of Farm and Groundcare Engineering Management Unit
Executive Officer of Kubota Corporation	Koichi Nakagawa	General Manager of Water and Environmental Research and Development Center
Executive Officer of Kubota Corporation	Kazunori Tani	President of SIAM KUBOTA Corporation Co., Ltd.
Executive Officer of Kubota Corporation	Yuji Kambara	General Manager of Manufacturing Unit
Executive Officer of Kubota Corporation	Shinya Tsuruda	General Manager of Farm Machinery Japan Operation Headquarters, President of Kubota Agri Service Corporation
Executive Officer of Kubota Corporation	Sumio Morioka	General Manager of Industrial Products Division
Executive Officer of Kubota Corporation	Shinichi Yamada	President of Kubota Holdings Europe B.V., Chairman of Kverneland AS
Executive Officer of Kubota Corporation	Koji Wada	General Manager of Water and Environmental Infrastructure Strategy and Operations Headquarters
Executive Officer of Kubota Corporation	Masaya Nishiyama	Deputy General Manager of Corporate Compliance & QA Headquarters
Executive Officer of Kubota Corporation	Keishiro Nishi	General Manager of Tractor Unit
Executive Officer of Kubota Corporation	Seiji Fukuoka	General Manager of Business Strategy and Operations Unit, General Manager of Business Strategy and Operations Department
Executive Officer of Kubota Corporation	Junji Takeda	General Manager of Manufacturing Engineering Unit
Executive Officer of Kubota Corporation	Brian Arnold	General Manager of North America Manufacturing Unit, Vice President of Kubota North America Corporation, President of Kubota Manufacturing of America Corporation
Executive Officer of Kubota Corporation	Yasuaki Shiomi	President of Kubota Machinery Trading Co., Ltd. Deputy General Manager of Procurement Headquarters
Executive Officer of Kubota Corporation	Kuninosuke Iwata	General Manager of Outdoor Power Equipment Unit
Executive Officer of Kubota Corporation	Katsuyuki Shutta	General Manager of ESG Promotion Unit, General Manager of President's Office
Executive Officer of Kubota Corporation	Takehiro Yahata	President of Kubota Environmental Engineering Unit

b) Subject to the approval of the resolutions proposed for the 136th Ordinary General Meeting of Shareholders scheduled for March 19, 2026, including “Election of Ten Directors,” “Election of Three Audit & Supervisory Board Members,” and “Election of One Substitute Audit & Supervisory Board Member,” the status and terms of office for the Company’s Directors and Senior Management are expected to be as follows.

The positions and other details of Directors and Senior Management are stated including the content of the resolutions (positions, etc.) to be made at the Board of Directors scheduled to be held immediately after the 136th Ordinary General Meeting of Shareholders.

Male: 13, Female: 3 (percentage of females among Directors and Audit & Supervisory Board Members: 19%)

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)
Chairman and Representative Director of Kubota Corporation		Yuichi Kitao	Jul. 15, 1956	Apr. 1979	Joined Kubota Corporation	Note 3	173
				Apr. 2005	General Manager of Tractor Engineering Dept. of Kubota Corporation		
				Apr. 2009	Senior Executive Officer, General Manager of Tractor Division of Kubota Corporation		
				Jan. 2011	President of KUBOTA TRACTOR CORPORATION		
				Apr. 2013	Managing Executive Officer of Kubota Corporation		
				Oct. 2013	General Manager of Farm and Utility Machinery Division, General Manager of Farm and Utility Machinery International Operations Headquarters of Kubota Corporation		
				Jun. 2014	Director and Managing Executive Officer of Kubota Corporation		
				Apr. 2015	Director and Senior Managing Executive Officer, General Manager of Farm and Industrial Machinery Domain of Kubota Corporation		
				Jan. 2019	Representative Director and Executive Vice President, General Manager of Farm and Industrial Machinery Consolidated Division of Kubota Corporation		
				Jun. 2019	General Manager of Innovation Center of Kubota Corporation		
				Jan. 2020	President and Representative Director of Kubota Corporation		
				Jan. 2026	Chairman and Representative Director of Kubota Corporation (to present)		

Position	Responsibility	Name	Date of birth	Business experience		Term of office	Share ownership (thousands of shares)
President and Representative Director, CEO of Kubota Corporation		Shingo Hanada	Nov. 14, 1963	Apr. 1989	Joined Kubota Corporation	Note 3	27
				Apr. 2015	General Manager of Tractor Planning and Sales Promotion Dept. of Kubota Corporation		
				Jan. 2017	General Manager of Agricultural Tractor Planning and Sales Promotion Dept. of Kubota Corporation		
				Jan. 2018	General Manager of Outdoor Power Equipment Business Unit, General Manager of Outdoor Power Equipment Business Planning and Development Dept. of Kubota Corporation		
				Jan. 2019	Senior Executive Officer, General Manager of Outdoor Power Equipment Division of Kubota Corporation		
				Feb. 2020	General Manager of Outdoor Power Equipment Business Planning and Development Dept. of Kubota Corporation		
				Jan. 2021	President of Kubota Holdings Europe B.V., President of Kverneland AS		
				Jan. 2022	Managing Executive Officer of Kubota Corporation, President of Kubota North America Corporation, President of KUBOTA TRACTOR CORPORATION		
				Mar. 2023	Director and Managing Executive Officer of Kubota Corporation		
				Jan. 2024	Director and Senior Managing Executive Officer, General Manager of Farm and Industrial Machinery Strategy and Operations Headquarters, Deputy General Manager of Planning and Control Headquarters, Deputy General Manager of Innovation Center of Kubota Corporation		
				Jan. 2025	Representative Director and Executive Vice President, General Manager of Farm and Industrial Machinery Consolidated Division, General Manager of Innovation Center of Kubota Corporation		
				Jan. 2026	President and Representative Director, CEO of Kubota Corporation (to present)		

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)
Director and Senior Managing Executive Officer, Chief Technology Officer (CTO) of Kubota Corporation	General Manager of Research and Development Headquarters, General Manager of Technology Development Promotion Unit, General Manager of Kubota Global Institute of Technology	Nobushige Ichikawa	Feb. 17, 1966	Apr. 1990 Apr. 2015 Apr. 2017 Jan. 2018 Jan. 2019 Jan. 2022 Jan. 2023 Jan. 2024 Jan. 2025 Jan. 2026 Mar. 2026	Joined Kubota Corporation General Manager of Vehicle Base Technology Engineering Dept., General Manager of Vehicle Base Technology R&D Office of Vehicle Base Technology Engineering Dept., General Manager of Design Office I of Compact Tractor Engineering Dept. of Kubota Corporation General Manager of International Development Office of Vehicle Base Technology Engineering Dept. of Kubota Corporation General Manager of Farm Machinery Engineering Europe Dept., General Manager of Office II of Farm Machinery Engineering Europe Dept. of Kubota Corporation Senior Executive Officer of Kubota Corporation, President of KUBOTA EUROPE S.A.S., Vice President of Kubota Holdings Europe B.V. General Manager of Compact Tractor Division of Kubota Corporation Deputy General Manager of Tractor Division of Kubota Corporation Managing Executive Officer, General Manager of Tractor Division, Deputy General Manager of Research and Development Headquarters, General Manager of Tractor Engineering Management Unit of Kubota Corporation Deputy General Manager of Innovation Center of Kubota Corporation Senior Managing Executive Officer, Chief Technology Officer (CTO) (to present), General Manager of Research and Development Headquarters (to present), General Manager of Technology Development Promotion Unit (to present), General Manager of Kubota Global Institute of Technology (to present) of Kubota Corporation Director of Kubota Corporation (planned)	Note 3	22

Position	Responsibility	Name	Date of birth	Business experience	Term of office	Share ownership (thousands of shares)	
Director and Senior Managing Executive Officer, Chief Manufacturing Officer (CMO) of Kubota Corporation	General Manager of Manufacturing Promotion Headquarters, General Manager of Farm and Industrial Machinery Global Operating Headquarters, General Manager of ASEAN Farm and Industrial Machinery Strategy and Operations Headquarters	Takanobu Azuma	Jan. 4, 1968	Apr. 1990	Joined Kubota Corporation	Note 3	27
				Jan. 2014	General Manager of Manufacturing Engineering Dept. of Sakai Plant of Kubota Corporation		
				Apr. 2014	General Manager of Manufacturing Dept. of Kubota Corporation		
				Apr. 2015	General Manager of Agricultural and Construction Machinery Manufacturing Dept. of Sakai Plant of Kubota Corporation		
				Jan. 2019	General Manager of Sakai Plant, General Manager of Sakai Training Center of Kubota Corporation		
				Jan. 2020	Senior Executive Officer of Kubota Corporation, President of SIAM KUBOTA Corporation Co., Ltd., President of Kubota Research and Development Asia Co., Ltd.		
				Jan. 2023	Executive Vice President of Kubota North America Corporation		
				Jan. 2024	Managing Executive Officer, Deputy General Manager of Manufacturing Engineering Headquarters, Deputy General Manager of Farm and Industrial Machinery Strategy and Operations Headquarters of Kubota Corporation		
				Jan. 2025	Deputy General Manager of Farm and Industrial Machinery Consolidated Division, General Manager of Farm and Industrial Machinery Manufacturing Headquarters, General Manager of Manufacturing Engineering Unit of Kubota Corporation		
				Jan. 2026	Senior Managing Executive Officer, Chief Manufacturing Officer (CMO) (to present), General Manager of Manufacturing Promotion Headquarters (to present), General Manager of Farm and Industrial Machinery Global Operating Headquarters (to present), General Manager of ASEAN Farm and Industrial Machinery Strategy and Operations Headquarters (to present) of Kubota Corporation		
				Mar. 2026	Director of Kubota Corporation (planned)		
Director and Senior Managing Executive Officer of Kubota Corporation	General Manager of Water and Environment Infrastructure Consolidated Company, General Manager of Tokyo Head Office	Wataru Kondo	Aug. 19, 1965	Apr. 1988	Joined Kubota Corporation	Note 3	20
				Apr. 2013	General Manager of Human Resources Dept. of Kubota Corporation		
				Jan. 2021	Executive Officer, Deputy General Manager of Human Resources and General Affairs Headquarters of Kubota Corporation		
				Jan. 2022	General Manager of Water and Environment Infrastructure Management Dept., General Manager of Water and Environmental Infrastructure Compliance Dept. of Kubota Corporation		
				Jan. 2024	General Manager of Water and Environmental Infrastructure Management Headquarters of Kubota Corporation		
				Jan. 2025	Managing Executive Officer, General Manager of Water and Environment Infrastructure Consolidated Company (to present), General Manager of Tokyo Head Office (to present) of Kubota Corporation		
				Jan. 2026	Senior Managing Executive Officer of Kubota Corporation (to present)		
Mar. 2026	Director of Kubota Corporation (planned)						

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)
Director of Kubota Corporation		Yutaro Shintaku	Sep. 19, 1955	Apr. 1979	Joined Toa Nenryo Kogyo K.K. (currently, ENEOS Corporation)	Note 3	16
				Jan. 1999	Joined Terumo Corporation		
				Jun. 2005	Executive Officer of Terumo Corporation		
				Jun. 2006	Director and Executive Officer of Terumo Corporation		
				Jun. 2007	Director and Senior Executive Officer, In charge of R&D Center, Intellectual Property Dept. and Legal Dept. of Terumo Corporation		
				Jun. 2009	Director and Managing Executive Officer, General Manager of Strategy Planning Dept., In charge of Human Resources Dept. and Accounting & Finance Dept. of Terumo Corporation		
				Jun. 2010	President and Representative Director of Terumo Corporation		
				Apr. 2017	Director and Advisor of Terumo Corporation		
				Jun. 2017	Director of Santen Pharmaceutical Co., Ltd. Director of J-Oil Mills, Inc.		
				Mar. 2018	Director of Kubota Corporation (to present)		
				Apr. 2018	Visiting Professor of Hitotsubashi University Business School		
				Apr. 2019	Special Professor of Hitotsubashi University Business School (to present)		
				Sep. 2019	Director of KOZO KEIKAKU ENGINEERING Inc.		
				Jul. 2024	Director of KOZO KEIKAKU ENGINEERING HOLDINGS Inc. (to present)		
Director of Kubota Corporation		Kumi Arakane	Jul. 4, 1956	Apr. 1981	Joined KOBAYASHI KOSÉ COMPANY LIMITED (currently, KOSÉ Corporation)	Note 3	13
				Mar. 2002	Senior Chief Researcher of R&D Headquarters Advanced Cosmetic Research Laboratories of KOSÉ Corporation		
				Mar. 2004	General Manager of Product Development Dept. of KOSÉ Corporation		
				Mar. 2006	Executive Officer, Deputy Director-General of Marketing Headquarters of KOSÉ Corporation		
				Mar. 2010	General Manager of R&D Laboratories of KOSÉ Corporation		
				Mar. 2011	General Manager of Quality Assurance Dept., Marketing Supervisor-General of KOSÉ Corporation		
				Jun. 2011	Director, in charge of Quality Assurance Dept., Customer Service Center, Purchasing Dept., Product Designing Dept. of KOSÉ Corporation		
				Jun. 2017	Audit & Supervisory Board Member of KOSÉ Corporation		
				Mar. 2019	Audit & Supervisory Board Member of Kubota Corporation		
				Mar. 2020	Director of Kagome Co., Ltd. (to present)		
				Jun. 2020	Director of TODA CORPORATION (to present)		
				Mar. 2021	Director of Kubota Corporation (to present)		

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)
Director of Kubota Corporation		Koichi Kawana	Apr. 23, 1958	Apr. 1982	Joined JGC CORPORATION (currently, JGC HOLDINGS CORPORATION)	Note 3	8
				Jul. 1997	General Manager, Abu Dhabi Office; General Manager, Kuwait Office of JGC CORPORATION		
				Jul. 2001	General Manager, London Office of JGC CORPORATION		
				May 2004	General Manager, Project Business Investment Promotion Dept. of JGC CORPORATION		
				Jul. 2007	Executive Officer; General Manager, New Business Promotion Division of JGC CORPORATION		
				Aug. 2007	Senior General Manager, New Business Promotion Division of JGC CORPORATION		
				Jul. 2009	Managing Director; Senior General Manager, Global Marketing Division of JGC CORPORATION		
				Jun. 2010	Representative Director, Senior Executive Vice President of JGC CORPORATION		
				Jul. 2011	Representative Director and President (COO) of JGC CORPORATION		
				Jun. 2012	Representative Director and President of JGC CORPORATION		
				Jun. 2017	Director, Vice Chairman of JGC CORPORATION		
				Jun. 2019	Director of TOKYO ELECTRON DEVICE LIMITED, Director of Bandai Namco Holdings Inc. (to present), Director (Audit and Supervisory Committee Member) of COMSYS Holdings Corporation		
				Jun. 2020	Director of RENOVA, Inc.		
				Dec. 2020	Director of ispace, inc. (to present)		
				Mar. 2023	Director of Kubota Corporation (to present)		
Jun. 2023	Director, Chairman of RENOVA, Inc. (part-time, nonexecutive) (to present)						
Director of Kubota Corporation		Yuri Furusawa	Jul. 22, 1963	Apr. 1986	Joined Ministry of Transport (currently, Ministry of Land, Infrastructure, Transport and Tourism)	Note 3	8
				Dec. 2000	Administrator of Organisation for Economic Co-operation and Development (OECD)		
				Jul. 2004	Director for International Policy Planning, Ministry of Land, Infrastructure, Transport and Tourism		
				Jul. 2006	Director for International Affairs and Crisis Management Division, Japan Coast Guard		
				Jul. 2008	Counsellor of Cabinet Secretariat (Assistant to Assistant Deputy Chief Cabinet Secretary)		
				Aug. 2011	Deputy General Manager of International Sales Department, Shiseido Company, Limited		
				Jul. 2014	Assistant Vice-Minister for International Affairs of Ministry of Land, Infrastructure, Transport and Tourism		
				Sep. 2015	Vice-Commissioner of Japan Tourism Agency		
				Jun. 2016	Councillor of Cabinet Secretariat, Cabinet Bureau of Personnel Affairs		
				Jul. 2019	Minister's Secretariat of Ministry of Land, Infrastructure, Transport and Tourism		
				Mar. 2021	Audit & Supervisory Board Member of Kubota Corporation		
				Jun. 2022	Audit & Supervisory Board Member of SUBARU CORPORATION (to present)		
				Mar. 2025	Director of Kubota Corporation (to present)		

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)
Director of Kubota Corporation		Yoshinori Yamashita	Aug. 22, 1957	Mar. 1980 Feb. 1995 Apr. 2008 Apr. 2010 Apr. 2011 Jun. 2012 Jun. 2016 Apr. 2017 Apr. 2021 Oct. 2021 Apr. 2023 Jun. 2024 Mar. 2025 Apr. 2025 Jul. 2025	Joined Ricoh Company, Ltd. General Manager of Business Planning Division of Ricoh UK Products Ltd. President of Ricoh Electronics, Inc. Group Executive Officer of Ricoh Company Ltd. Corporate Senior Vice President, General Manager of Corporate Planning Division of Ricoh Company, Ltd. Director, Corporate Executive Vice President of Ricoh Company, Ltd. Director, Deputy President of Ricoh Company, Ltd. Representative Director, President and CEO of Ricoh Company, Ltd. Vice Chairperson of Japan Association of Corporate Executives Co-Chair of Japan Climate Leaders' Partnership (JCLP) Representative Director and Chairperson of Ricoh Company, Ltd. Director of Nomura Real Estate Holdings, Inc. (to present) Director of Asahi Kasei Corporation (to present) Director of Kubota Corporation (to present) Director and Chairperson of Ricoh Company, Ltd. (to present) Representative Director of Japan Climate Leaders' Partnership (JCLP) (to present)	Note 3	0
Audit & Supervisory Board Member of Kubota Corporation (Full time)		Masashi Tsunematsu	Mar. 10, 1964	Apr. 1986 Jun. 2010 Jan. 2018 Feb. 2019 Mar. 2022	Joined Kubota Corporation General Manager of Water Engineering & Solution Planning Dept. of Kubota Corporation General Manager of Environmental Business Planning and Sales Dept. of Kubota Corporation General Manager of Water and Environment Infrastructure Management Dept. of Kubota Corporation Audit & Supervisory Board Member of Kubota Corporation (to present)	Note 4	9
Audit & Supervisory Board Member of Kubota Corporation (Full time)		Kazushi Ito	Sep. 22, 1963	Apr. 1987 Apr. 2002 Mar. 2007 Oct. 2010 Apr. 2015 Jan. 2018 Jan. 2020 Mar. 2024	Joined Daiwa Securities Co. Ltd. Joined UFJ Capital Markets Securities Co., Ltd., (currently, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) Joined Depfa Bank Plc, Tokyo Branch Joined Kubota Corporation General Manager of Strategic Planning Dept. of Kubota Corporation Senior Executive Officer, Deputy General Manager of Planning and Control Headquarters, General Manager of Global Management Promotion Dept. and General Manager of Strategic Planning Dept. of Kubota Corporation General Manager of Corporate Planning and Control Dept. of Kubota Corporation Audit & Supervisory Board Member of Kubota Corporation (to present)	Note 5	34

Position	Responsibility	Name	Date of birth		Business experience	Term of office	Share ownership (thousands of shares)
Audit & Supervisory Board Member of Kubota Corporation (Full time)		Hideki Mori	Jun. 30, 1965	Apr. 1989	Joined Kubota Corporation	Note 4	23
				Oct. 2010	President of Kubota Engine (SHANGHAI) Co., Ltd.		
				Oct. 2013	General Manager of Engine Global Marketing Dept. I of Kubota Corporation		
				Oct. 2016	President of KUBOTA ENGINE AMERICA CORPORATION		
				Jan. 2020	Senior Executive Officer of Kubota Corporation, General Manager of Customer Solutions Division, General Manager of Customer Solutions Division, Business Strategy Planning Dept. of Kubota Corporation		
				Jan. 2021	General Manager of Customer Solutions Division of Kubota Corporation		
				Jan. 2024	General Manager of Agricultural Implement Division of Kubota Corporation		
				Jan. 2026	Deputy General Manager of Farm & Groundcare Equipment Division of Kubota Corporation		
Audit & Supervisory Board Member of Kubota Corporation (Part time)		Yuichi Yamada	Mar. 25, 1954	Oct. 1984	Joined Asahi & Co. (currently, KPMG AZSA LLC)	Note 5	9
				Mar. 1988	Registered as a Certified Public Accountant of Japan (to present)		
				Aug. 2003	Representative Partner of Asahi & Co. (currently, KPMG AZSA LLC)		
				Jun. 2008	Board Member of KPMG AZSA & Co. (currently, KPMG AZSA LLC)		
				Sep. 2011	Deputy Tokyo Office Managing Partner of KPMG AZSA LLC		
				Jul. 2015	Chairman of Tokyo Partners Meeting of KPMG AZSA LLC		
				Jun. 2016	Audit & Supervisory Board Member of Japan Finance Corporation		
				Jul. 2016	Representative of Yuichi Yamada Certified Public Accountant Firm (to present)		
Jun. 2017	Audit & Supervisory Board Member of Sumitomo Metal Mining Co., Ltd.						
Mar. 2020	Audit & Supervisory Board Member of Kubota Corporation (to present)						
Audit & Supervisory Board Member of Kubota Corporation (Part time)		Keijiro Kimura	Apr. 14, 1961	Apr. 1987	Registered as an attorney at law of Japan	Note 4	6
					Joined Showa Law Office (to present)		
				Jan. 1994	Registered as an attorney at law of New York State (to present)		
				May 1998	Established Kyoei Law Office		
				Jun. 2000	Audit & Supervisory Board Member of Okada Aiyon Corporation		
				Sep. 2007	Audit & Supervisory Board Member of NAGAOKA INTERNATIONAL CORPORATION		
				Jun. 2009	Audit & Supervisory Board Member of CHARLE CO., LTD.		
				Jan. 2011	Representative partner of Kyoei Law Office (to present)		
Mar. 2015	Audit & Supervisory Board Member of Nippon Electric Glass Co., Ltd.						
Mar. 2022	Audit & Supervisory Board Member of Kubota Corporation (to present)						

Position	Responsibility	Name	Date of birth	Business experience	Term of office	Share ownership (thousands of shares)	
Audit & Supervisory Board Member of Kubota Corporation (Part time)		Setsuko Ino	Mar. 18, 1964	Apr. 1988	Joined Suntory Ltd.	Note 6	1
				Sep. 1994	Joined PepsiCo, Inc.		
				Jul. 2003	Director and General Manager of Accounting & Finance Division of Sun Microsystems Japan K.K.		
				Nov. 2006	CFO and Representative Director of SAP Japan Co, Ltd.		
				Mar. 2012	CFO of Retail Division of Amazon Japan G.K.		
				Jun. 2017	CFO of Asurion Japan K.K.		
				Jan. 2024	Venture Partner of Eight Roads Ventures Japan (to present)		
				Jun. 2024	Audit & Supervisory Board Member of YAMATO HOLDINGS CO., LTD. (to present)		
				Mar. 2025	Audit & Supervisory Board Member of Kubota Corporation (to present)		
Total						403	

(Notes)

- Among the Directors, Yutaro Shintaku, Kumi Arakane, Koichi Kawana, Yuri Furusawa, and Yoshinori Yamashita are the Outside Directors.
- Among the Audit & Supervisory Board Members, Yuichi Yamada, Keijiro Kimura, and Setsuko Ino are the Outside Audit & Supervisory Board Members.
- The term of office will expire at the close of the Ordinary General Meeting of Shareholders for the year ending December 31, 2026, and began with the election at the Ordinary General Meeting of Shareholders for the year ended December 31, 2025.
- The terms of office will expire at the close of the Ordinary General Meeting of Shareholders for the year ending December 31, 2029, and began with the election at the Ordinary General Meeting of Shareholders for the year ended December 31, 2025.
- The term of office will expire at the close of the Ordinary General Meeting of Shareholders for the year ending December 31, 2027, and began with the election at the Ordinary General Meeting of Shareholders for the year ended December 31, 2023.
- The term of office will expire at the close of the Ordinary General Meeting of Shareholders for the year ending December 31, 2028, and began with the election at the Ordinary General Meeting of Shareholders for the year ended December 31, 2024.
- Kubota Corporation has appointed the substitute Outside Audit & Supervisory Board Member as stipulated in Article 329, paragraph 3 of the Act in preparation for a shortage in the number of Outside Audit & Supervisory Board Member stipulated in the law. Brief professional background of the substitute Outside Audit & Supervisory Board Member is as follows:

Name	Date of birth	Business experience	Share ownership (thousands of shares)
Hogara Iwamoto	Jun. 22, 1969	Apr. 1995	—
		Registered as an attorney at law of Japan (to present)	
		May 2008	
		May 2010	
		Apr. 2020	
		Vice Chairperson of the Osaka Bar Association	

- Kubota Corporation has adopted the Senior Executive Officer and Executive Officer System and Senior Executive Officers and Executive Officers who do not concurrently serve as the Directors are as follows:

Position	Name	Responsibility
Senior Managing Executive Officer of Kubota Corporation	Nikhil Nanda	Chairman and Managing Director of Escorts Kubota Limited
Senior Managing Executive Officer of Kubota Corporation	Katsuhiko Yukawa	General Manager of Construction Machinery Division
Managing Executive Officer of Kubota Corporation	Hirohiko Arai	General Manager of Procurement Headquarters
Managing Executive Officer, Chief Health & Safety Officer (CHSO) of Kubota Corporation	Mampeï Yamamoto	General Manager of Health and Safety Promotion Headquarters
Managing Executive Officer of Kubota Corporation	Shinichi Fukuhara	General Manager of Environmental Solutions Division, General Manager of Resource Circulation Business Unit
Managing Executive Officer of Kubota Corporation	Tomohiro Iitsuka	General Manager of Parts Division
Managing Executive Officer, Chief Human Resources Officer (CHRO) of Kubota Corporation	Junji Ota	General Manager of Human Resources Headquarters General Manager of Head Office
Managing Executive Officer, Chief Compliance & Quality Officer (CCQO) of Kubota Corporation	Hideo Takigawa	General Manager of Compliance and Risk Management, QA Headquarters

Position	Name	Responsibility
Managing Executive Officer of Kubota Corporation	Takashi Ichikawa	Deputy General Pipe Systems Division
Managing Executive Officer of Kubota Corporation	Toshiyuki Taneda	General Manager of Engine Division
Managing Executive Officer, Chief Business Planning Officer (CBPO) of Kubota Corporation	Hitoshi Sasaki	General Manager of Corporate Planning & Control Headquarters
Managing Executive Officer of Kubota Corporation	Satoshi Suzuki	General Manager of Farm & Groundcare Equipment Division
Executive Officer, Chief ICT Officer (CIO) of Kubota Corporation	Hiroyuki Tanihara	General Manager of Global ICT Headquarters
Executive Officer of Kubota Corporation	Shiro Watanabe	General Manager of Farm and Industrial Machinery Global Customer First Headquarters
Executive Officer of Kubota Corporation	Todd Stucke	General Manager of Agri Solutions Headquarters, President of Kubota North America Corporation
Executive Officer of Kubota Corporation	Hiroyuki Araki	General Manager of Technology Innovation Research and Development Unit, General Manager of Technology Innovation R&D Department I
Executive Officer of Kubota Corporation	Yoshifumi Makino	General Manager of Water and Environmental Solutions Planning and Sales Promotion Headquarters
Executive Officer of Kubota Corporation	Tadahito Suzui	General Manager of Farm and Groundcare Engineering Management Unit
Executive Officer of Kubota Corporation	Koichi Nakagawa	General Manager of Water and Environmental Research and Development Center
Executive Officer of Kubota Corporation	Kazunori Tani	President of SIAM KUBOTA Corporation Co., Ltd.
Executive Officer of Kubota Corporation	Yuji Kambara	General Manager of Manufacturing Unit
Executive Officer of Kubota Corporation	Shinya Tsuruda	General Manager of Farm Machinery Japan Operation Headquarters, President of Kubota Agri Service Corporation
Executive Officer of Kubota Corporation	Sumio Morioka	General Manager of Industrial Products Division
Executive Officer of Kubota Corporation	Shinichi Yamada	President of Kubota Holdings Europe B.V., Chairman of Kverneland AS
Executive Officer of Kubota Corporation	Koji Wada	General Manager of Water and Environmental Infrastructure Strategy and Operations Headquarters
Executive Officer of Kubota Corporation	Masaya Nishiyama	Deputy General Manager of Corporate Compliance & QA Headquarters
Executive Officer of Kubota Corporation	Keishiro Nishi	General Manager of Tractor Unit
Executive Officer of Kubota Corporation	Seiji Fukuoka	General Manager of Business Strategy and Operations Unit, General Manager of Business Strategy and Operations Department
Executive Officer of Kubota Corporation	Junji Takeda	General Manager of Manufacturing Engineering Unit
Executive Officer of Kubota Corporation	Brian Arnold	General Manager of North America Manufacturing Unit, Vice President of Kubota North America Corporation, President of Kubota Manufacturing of America Corporation
Executive Officer of Kubota Corporation	Yasuaki Shiomi	President of Kubota Machinery Trading Co., Ltd. Deputy General Manager of Procurement Headquarters
Executive Officer of Kubota Corporation	Kuninosuke Iwata	General Manager of Outdoor Power Equipment Unit
Executive Officer of Kubota Corporation	Katsuyuki Shutta	General Manager of ESG Promotion Unit, General Manager of President's Office
Executive Officer of Kubota Corporation	Takehiro Yahata	President of Kubota Environmental Engineering Unit

2) Outside Directors and Outside Audit & Supervisory Board Members

Kubota Corporation has appointed five Outside Directors and three Outside Audit & Supervisory Board Members as of the date of submission of the Annual Securities Report.

Subject to the approval of the resolutions proposed for the 136th Ordinary General Meeting of Shareholders scheduled for March 19, 2026, including “Election of Ten Directors” and “Election of Three Audit & Supervisory Board Members,” Outside Directors will be five, Outside Audit & Supervisory Board Members will be three.

Outside Directors are responsible for supervision of the management based on their practical and objective viewpoints, and high-level insight to achieve sustainable growth of the Company and enhance the corporate value. In addition, through appropriate involvement and advice based on their extensive experience and broad knowledge, Outside Directors deliberate on the selection of candidates for Directors, the remuneration structure for Directors, remuneration levels, and other issues at the Nomination Advisory Committee and the Compensation Advisory Committee.

Outside Audit & Supervisory Board Members are responsible for further enhancing auditing services of the Company from an independent standpoint with their diverse experience, knowledge, expertise, and insights.

With regard to the composition of the Board of Directors, the Company maintains an appropriate number of members to ensure effective deliberations, while ensuring diversity in terms of business areas, knowledge, experience, and expertise, as well as transparency and soundness of management. As of the date of submission of the Annual Securities Report, five out of 11 Directors are Outside Directors and eight out of 17 attendees at the Board of Directors are Outside Directors and Outside Audit & Supervisory Board Members. More than half of the Audit & Supervisory Board Members are appointed from those who meet the requirements for Independent Executives as defined by the Tokyo Stock Exchange (TSE) and the independent criteria of the Company, and one of the members is appointed from those who have advanced and specialized knowledge and experience in accounting and finance, such as a certified public accountant. As of the date of submission of the Annual Securities Report, three out of six Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members.

Subject to the approval of the resolutions proposed for the 136th Ordinary General Meeting of Shareholders scheduled for March 19, 2026, including “Election of Ten Directors” and “Election of Three Audit & Supervisory Board Members,” five out of the ten Directors will be Outside Directors, three out of six Audit & Supervisory Board Members will be Outside Audit & Supervisory Board Members, and eight out of 16 attendees at the Board of Directors will be Outside Directors and Outside Audit & Supervisory Board Members.

Outside Directors and Outside Audit & Supervisory Board Members are selected from among those who satisfy the requirements for Independent Executives as defined by the TSE and the independent criteria of the Company. The independent criteria of the Company are posted on the following website.

<https://www.kubota.com/sustainability/governance/governance/index.html>

The status of significant concurrent positions and the reasons for appointment of Outside Directors and Outside Audit & Supervisory Board Members as of the filing date of the Annual Securities Report are as follows.

Yutaro Shintaku, during the time as President and Representative Director of Terumo Corporation, took several measures to survive in the fierce international competition, including global expansion, mergers and acquisitions, and restructuring of the business portfolio, and has a proven ability and track record as a management who captures current trends. Mr. Shintaku also actively speaks at the Board of Directors of Kubota Corporation from his knowledge of capital policy and plays an appropriate role in the supervision of the Company's management. Mr. Shintaku was appointed as the Outside Director as he is judged to be a continuing benefit to the Company's sustainable growth and to enhancing the corporate value. There is no particular vested interest between Kubota Corporation and Mr. Shintaku. Kubota Corporation has business transactions with KOZO KEIKAKU ENGINEERING HOLDINGS Inc., at which Mr. Shintaku currently holds an important post; however, the transaction amount represents less than 0.8% of the consolidated revenue of the said company and less than 0.1% of the revenue of Kubota Corporation. Kubota Corporation has no special relationship with other companies where Mr. Shintaku holds important posts.

Kumi Arakane worked as a researcher at KOSÉ Corporation, where she was engaged in basic research on cosmetics, and later held positions of responsibility in a wide range of areas, including product development, R&D, quality assurance, and procurement, as well as participating in management as a Director. Ms. Arakane has expertise in auditing the execution of duties as a full-time Audit & Supervisory Board Member, and actively voicing her view from various perspectives at the Board of Directors of Kubota Corporation, playing a proper role with respect to management oversight. Ms. Arakane was appointed as the Outside Director as she is judged to be a continuing benefit to the Company's sustainable growth and to enhancing the corporate value. There is no particular vested interest between Kubota Corporation and Ms. Arakane. Kubota Corporation has business transactions with Kagome Co., Ltd. and TODA

CORPORATION, at which Ms. Arakane currently holds important posts; however, the amount arising from these transactions was less than 0.1% of both the consolidated revenue of said companies and the revenue of Kubota Corporation.

Koichi Kawana has extensive knowledge of overseas business, having served as the head of overseas offices at JGC HOLDINGS CORPORATION. He was appointed Representative Director and President in 2011, and has extensive knowledge and experience as a management, including leading the execution of domestic and international megaprojects and business investments in the infrastructure sector. Mr. Kawana also actively voicing his views from various perspectives, including project management and risk management, at the Board of Directors of Kubota Corporation. Mr. Kawana was appointed as the Outside Director as he is judged to be a continuing benefit to the Company's sustainable growth, the enhancement of corporate value, and the strengthening of the supervisory function of the Board of Directors. There is no particular vested interest between Kubota Corporation and Mr. Kawana. Kubota Corporation also has no business relationships with Bandai Namco Holdings Inc., ispace, inc. and RENOVA, Inc., at which Mr. Kawana holds important posts.

Yuri Furusawa has a broad perspective and extensive knowledge from her experience in various domestic and international positions in the central governmental agencies. Furthermore, she gained global experience through being involved in overseas business development at a company, and she was involved in the promotion of work styles reform, the empowerment of women, and diversity at the center of the government. Ms. Furusawa has served as an Outside Audit & Supervisory Board Member of Kubota Corporation since March 2021 and as an Outside Director of Kubota Corporation since March 2025, and has been actively voicing her view from various perspectives, including on talent development, at the Board of Directors of Kubota Corporation, contributing in enhancing the effectiveness of the Board of Directors. Ms. Furusawa, although she has no experience in corporate management, was appointed as the Outside Director as she is judged to be a continuing benefit to the Company's sustainable growth, the enhancement of corporate value, and the strengthening of the supervisory function of the Board of Directors. There is no particular vested interest between Kubota Corporation and Ms. Furusawa. Kubota Corporation also has no business relationship with SUBARU CORPORATION at which Ms. Furusawa currently holds an important post.

Yoshinori Yamashita, as Representative Director, President and CEO of Ricoh Company, Ltd., has extensive experience and broad knowledge as a management and promoted structural reforms and growth strategies on a global scale. He has also contributed to enhancing corporate governance and business management systems, transforming the business structure from an office automation manufacturer into a digital services company, and improving profitability. Furthermore, Mr. Yamashita has been actively voicing his views particularly from global management perspective at the Board of Directors of Kubota Corporation. Mr. Yamashita was appointed as the Outside Director as he is judged to be a benefit to the Company's sustainable growth, the enhancement of corporate value, and the strengthening of the supervisory function of the Board of Directors. There is no particular vested interest between Kubota Corporation and Mr. Yamashita. Kubota Corporation has business transactions with Ricoh Company, Ltd. and Asahi Kasei Corporation, at which Mr. Yamashita currently holds important posts; however, the transaction amount represents less than 0.1% of the consolidated revenue of the said company and the revenue of Kubota Corporation. Kubota Corporation has no special relationship with other companies where Mr. Yamashita holds important posts.

Yuichi Yamada has sufficient knowledge of finance and accounting as a certified public accountant. He has gained extensive experience and accomplishments in corporate auditing during his tenure at a major audit firm, and possesses extensive expertise in auditing in general, including experience as an Outside Audit & Supervisory Board Member at other companies. Mr. Yamada, although he has no direct experience in corporate management, was appointed as Outside Audit & Supervisory Board Member based on the judgment that he can contribute to further enhancing auditing processes of Kubota Corporation through his expert viewpoints and from an independent standpoint. There is no particular vested interest between Kubota Corporation. Kubota Corporation also has no business relationship with Yuichi Yamada Certified Public Accountant Firm at which Mr. Yamada currently holds an important post.

Keijiro Kimura, as an attorney, possesses extensive knowledge of legal affairs. He also has an extensive record of practice in corporate legal affairs at attorney offices and considerable experience and knowledge acquired by assuming office as an Outside Audit & Supervisory Board Member at several companies. Mr. Kimura, although he has no direct experience in corporate management, was appointed as Outside Audit & Supervisory Board Member based on the judgment that, having served as an Outside Audit & Supervisory Board Member since 2022, he can contribute to further enhancement of the Company's audit activities by providing an expert point of view from his wide experience as well as independent standpoint. There is no particular vested interest between Kubota Corporation and Mr. Kimura. Kubota Corporation also has no business relationship with Kyoei Law Office at which Mr. Kimura currently holds an important post.

Setsuko Ino has many years of experience in charge of management planning in the IT industry and at global

companies, and has a global perspective as well as extensive knowledge of finance and accounting, and IT. Ms. Ino was appointed as Outside Audit & Supervisory Board Member based on the judgment that she can contribute to further enhancement of the Company's audit activities by providing an expert point of view from her wide experience. There is no particular vested interest between Kubota Corporation and Ms. Ino. Kubota Corporation has business transactions with YAMATO HOLDINGS CO., LTD. at which Ms. Ino currently holds an important post; however, the transaction amount represents less than 0.1% of the consolidated revenue of the said company and the revenue of Kubota Corporation. Kubota Corporation has no special relationship with other companies where Ms. Ino holds important posts.

The Company has submitted proposals to the 136th Ordinary General Meeting of Shareholders scheduled for March 19, 2026, regarding "Election of Ten Directors" and "Election of Three Audit & Supervisory Board Members," and has nominated Yutaro Shintaku, Kumi Arakane, Koichi Kawana, Yuri Furusawa and Yoshinori Yamashita as Outside Director candidates and Keijiro Kimura as an Outside Audit & Supervisory Board Member candidate.

Share ownership of Kubota Corporation by the Outside Directors and the Outside Audit & Supervisory Board Members is stated in 1) *List of Directors and Senior Management*. There is no material vested interest, which might have a conflict of interest with ordinary shareholders. Kubota Corporation has notified the TSE that all Outside Directors and Audit & Supervisory Board Members are Independent Executives as defined by the TSE.

The Outside Audit & Supervisory Board Members also collaborate with the independent auditor and the internal audit execution departments described in (3) *Status of Audit* 2) *Status of internal audit*.

(3) Status of Audit

1) Status of Audit by Audit & Supervisory Board Members

As of the submission date of the Annual Securities Report, Kubota Corporation has six Audit & Supervisory Board Members (three are Outside Audit & Supervisory Board Members), and one of the Outside Audit & Supervisory Board Member is a certified public accountant and has adequate knowledge of finance and accounting, including IFRS Accounting Standards.

In accordance with the auditing standards for Audit & Supervisory Board Members established by the Audit & Supervisory Board, as well as the auditing policy, assignment of duties, etc., Audit & Supervisory Board Members endeavor to collect information and establish an environment for auditing by communicating with Directors, internal audit execution departments, and other employees.

In addition, Kubota Corporation has a system to ensure that matters that are deemed to have a significant impact on management are reported to Audit & Supervisory Board Members without delay, and a system to ensure smooth payment of expenses incurred in execution of duties by Audit & Supervisory Board Members.

Audit & Supervisory Board Members of Kubota Corporation also serve as Audit & Supervisory Board Members of major domestic subsidiaries and equity method affiliates, and audits the management execution of each subsidiary and equity method affiliate in accordance with the audit policy and plan determined by the Audit & Supervisory Board of Kubota Corporation. In addition, eight full-time Audit & Supervisory Board Members are assigned to certain domestic subsidiaries to provide support for Audit & Supervisory Board Members of Kubota Corporation and improve internal control of the Company.

Audit & Supervisory Board Members have also conducted on-site audits of major subsidiaries in North America, Europe, Asia, and Australia and used a web conference format in some cases.

Kubota Corporation has established the Office of Audit & Supervisory Board Members to support Audit & Supervisory Board Members, and has assigned six employees. Independence of these employees is ensured as the employees' appointment and evaluation require discussion with and consent from the Audit & Supervisory Board Members.

The Audit & Supervisory Board is held once a month on a regular basis and on an ad hoc basis.

As of March 16, 2026 (the date of submission of the Annual Securities Report), the Company held the Audit & Supervisory Board 16 times for the year ended December 31, 2025, and the attendance of each member is as follows:

Position	Name	Number of attendances	Attendance rate
Audit & Supervisory Board Member of Kubota Corporation (Full time)	Yasuhiko Hiyama	16	100%
Audit & Supervisory Board Member of Kubota Corporation (Full time)	Masashi Tsunematsu	16	100%
Audit & Supervisory Board Member of Kubota Corporation (Full time)	Kazushi Ito	16	100%
Outside Audit & Supervisory Board Member of Kubota Corporation (Part time)	Yuichi Yamada	16	100%
Outside Audit & Supervisory Board Member of Kubota Corporation (Part time)	Keijiro Kimura	16	100%
Outside Audit & Supervisory Board Member of Kubota Corporation (Part time)	Setsuko Ino	12	100% (Note 1)
Outside Audit & Supervisory Board Member of Kubota Corporation (Part time)	Yuri Furusawa	4	100% (Note 2)

(Notes)

1. The attendance rate is calculated for the Audit & Supervisory Board held after assuming office on March 21, 2025.
2. The attendance rate is calculated for the Audit & Supervisory Board held before assuming office on March 21, 2025.

The primary issues considered by the Audit & Supervisory Board include, but not limited to, the auditing policies and assignment of duties, status of the design and operation of internal control systems, evaluation, appointment and reappointment of the independent auditor, and the audit report. Activities of the Audit & Supervisory Board are as follows.

The results of audits conducted by Audit & Supervisory Board Members are reported to other members at the Audit & Supervisory Board.

Item	Activities	Person in charge
Attendance to important meetings	Attend the Board of Directors to confirm management decision-making processes and the status of internal control.	All Audit & Supervisory Board Members
	Attend Management Committees and Risk Management Committee to confirm the status of efforts to address key management issues.	Full-time Audit & Supervisory Board Members
Conducts audits by Audit & Supervisory Board Members	Review important documents, such as minutes of the Board of Directors and Executive Committees, reports by departments, and performance-related materials.	All Audit & Supervisory Board Members
	On-site audits on a rotation basis at departments, plants, and offices of Kubota Corporation, as well as subsidiaries and equity method affiliates, to confirm the status of internal controls, asset management, and business activities. (Audited ten locations in Japan, eight subsidiaries and equity method affiliates in Japan, and 32 overseas subsidiaries.)	All Audit & Supervisory Board Members
	Understand business performance figures at financial results briefings.	All Audit & Supervisory Board Members
	Investigate in accordance with the Kubota Audit & Supervisory Board Member hotline system.	Full-time Audit & Supervisory Board Members
Cooperation with the independent auditor	Exchange opinions with the independent auditor on the audit plan and key audit matters (KAM).	All Audit & Supervisory Board Members
	Regular meetings with the independent auditor to understand the audit findings and financial results for each quarter.	All Audit & Supervisory Board Members
	Verify the independence of the independent auditor and the appropriateness of audits.	All Audit & Supervisory Board Members
Cooperation with Audit & Supervisory Board Member of subsidiaries, internal audit execution departments, etc.	Share issues in internal control and business operations based on audit findings of Corporate Auditing Department.	All Audit & Supervisory Board Members
	Meeting with Audit & Supervisory Members of domestic subsidiaries (annually) and with dedicated Audit & Supervisory Members to share information and confirm the status of internal controls.	All Audit & Supervisory Board Members
	Report from the Department in Charge of risk management.	Full-time Audit & Supervisory Board Members
Exchange of opinions with the Directors	Meetings with the Representative Director (four times a year) to exchange opinions on general management issues.	All Audit & Supervisory Board Members
	Interviews with Directors, etc., regarding the progress of business.	Full-time Audit & Supervisory Board Members

2) Status of internal audit

Internal audit on the Company's internal control over financial reporting is conducted by Corporate Auditing Department, which is independent from all other departments of the Company and made up of 21 employees who have the necessary expertise. Internal audits on other risks are conducted by the relevant Department in Charge, and secondary internal audits are conducted by the independent Corporate Auditing Department in order to ensure the adequacy of preceding internal audits. Internal audits are conducted on site, or remotely, through documentation reviews, based on audit plans approved by the President.

Internal audit execution departments and the independent auditor report their audit plan and audit results to the Audit & Supervisory Board Members periodically. In addition, if required, information is exchanged between internal audit execution departments and the independent auditor to ensure efficient audits.

Audit findings are discussed for improvement by relevant business division and the Department in Charge, and audits

are reperformed to ensure that the necessary improvements are being implemented. Risk control activities, such as awareness-raising, education, audits, identification of issues, improvements, and reperformed audits, are conducted during these audits by business divisions. The results and countermeasures developed are reported to the Risk Management Committee, which is responsible for internal control. This committee reports the status of Kubota Corporation's internal control to the President and the Board of Directors periodically.

The results of the evaluation of the effectiveness of internal control over financial reporting are compiled by Corporate Auditing Department and reported to the President and the Board of Directors.

Through this cycle, the Company is working to establish and strengthen internal controls and improve the quality of business execution.

3) Status of Accounting Audit

a) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC (DTT)

b) The Number of Consecutive Years Involved in the Audit

Since 1968

c) Certified Public Accountants (CPAs) Executing Audits

Mr. Takashige Ikeda, Mr. Yutaka Ito, and Mr. Akira Kimotsuki

d) Composition of Assistants Involved in Audit Work

26 CPAs, 6 junior accountants, and 58 other staff members

e) Policies for Evaluation, Appointment and Reappointment of the Independent Auditor by the Audit & Supervisory Board

The Audit & Supervisory Board confirms and evaluates the structure of auditing by the independent auditor and its independency, audit quality, and appropriateness of a compensation in determining the validity of appointment or reappointment of the independent auditor. Based on the thorough evaluation, Kubota Corporation has reappointed DTT as its independent auditor for the year ended December 31, 2025.

In the case that the independent auditor falls under any of the items of Article 340, paragraph 1 of the Act, the Audit & Supervisory Board may dismiss the independent auditor by unanimous approval of the Audit & Supervisory Board Members.

In the case that the independent auditor lacks the qualifications to serve as an accounting auditor, such as falling under any of the disqualification grounds pursuant to the Article 337, paragraph 3 of the Act, or in the case that the Audit & Supervisory Board determines that it is appropriate not to reappoint the independent auditor taking into consideration the status of duties executed and other circumstances, the Audit & Supervisory Board may propose to dismiss or not to reappoint the independent auditor by the resolution of the Audit & Supervisory Board.

4) Details of Audit Fees and Other Matters

a) Details of Fees to the Independent Auditor

Company	Year ended December 31, 2025		Year ended December 31, 2024	
	Fees for auditing services (millions of yen)	Fees for non-auditing services (millions of yen)	Fees for auditing services (millions of yen)	Fees for non-auditing services (millions of yen)
Kubota Corporation	¥ 323	¥ 17	¥ 327	¥ 16
Subsidiaries	51	3	29	—
Total	¥ 374	¥ 20	¥ 356	¥ 16

Non-auditing services in fiscal years 2025 and 2024 include preparation of the comfort letter for bond issuance.

b) Details of Fees to the Same Network Firm as the Independent Auditor (DTT) (not including the above table)

Company	Year ended December 31, 2025		Year ended December 31, 2024	
	Fees for auditing services (millions of yen)	Fees for non-auditing services (millions of yen)	Fees for auditing services (millions of yen)	Fees for non-auditing services (millions of yen)

Kubota Corporation	¥	—	¥	3	¥	—	¥	20
Subsidiaries		1,136		57		1,036		310
Total	¥	1,136	¥	60	¥	1,036	¥	330

Non-auditing services in fiscal years 2025 and 2024 include tax-related services and various advisory services.

c) Details of Other Significant Fees for Auditing Services

Not applicable.

d) Policy for Determining Audit Fees

Audit fees are determined in consideration of factors such as audit days. In making a decision, independence of certified public accounting firm is carefully considered and obtained consent of the Audit & Supervisory Board.

e) The Reasons to Agree on the Compensation to the Independent Auditor

The Audit & Supervisory Board, after receiving the necessary documents and reports from the Directors, relevant divisions of Kubota Corporation and the independent auditor, considered audit plans, appropriateness of the status of the duties executed on audit, and the basis for estimating compensation. After deliberating on these matters, the Audit & Supervisory Board judged that they were appropriate and therefore agreed to the amount of compensation to the independent auditor.

(4) Remuneration of Directors and Senior Management

1) Policy for Determination of Remuneration for Directors and Senior Management and Calculation Method

Kubota Corporation has formulated the Mid-Term Business Plan 2030 to realize the long-term vision “GMB2030,” designating the five-year period from 2026 to 2030 as the “Focus & Breakthrough” period to implement qualitative improvements to the management. Under these circumstances, Kubota Corporation has established the following basic principles regarding remuneration for the Directors with aim of further strengthening the supervisory function of the Board of Directors.

(Basic policy for determination of remuneration for the Directors)

a) The purpose of the remuneration for the Directors, excluding Outside Directors (hereinafter, the “Inside Directors”), is to encourage the Inside Directors to take the lead for sustainable growth, while fulfilling social responsibilities as a company aiming to become a GMB.

- Motivate the Directors to achieve performance targets by reflecting in their remuneration quantitative and objective evaluation based on financial performance indicators.
- Accelerate K-ESG management initiatives by reflecting evaluation results of the progress of the K-ESG in remuneration of the Directors.
- Encourage the Directors to continuously hold shares of Kubota Corporation during their tenure and make them aware of the need to sustainably improve corporate value through a remuneration system that is closely linked to shareholder value.
- Set the remuneration level and performance linkage so that the Directors receive remuneration that is equivalent to, or higher than, the standard remuneration at other GMB companies defined by Kubota Corporation, in line with the achievement of the performance and K-ESG targets, and improvement of corporate value.

b) To achieve the purpose of the remuneration, transparency and objectivity must be ensured in the administration of the remuneration plan.

- Decisions on the development and administration of remuneration policies shall be made by resolution of the Board of Directors after deliberation by the Compensation Advisory Committee, where the majority of members are Outside Directors.
- Disclosures shall be made to promote shareholders' understanding and dialogue with shareholders, not limiting them to the scope required by laws and regulations, in order to fulfill accountability to shareholders precisely.

(Remuneration structure)

a) Inside Directors

Remuneration for the Inside Directors consists of fixed remuneration (basic remuneration) and variable remuneration. Variable remuneration consists of an annual bonus designed to incentivize the achievement of business scale and profitability targets for each fiscal year, and stock compensation intended to share shareholder value and encourage the maximization of Mid-Term corporate value. Stock compensation consists of restricted stock unit and performance share unit. Restricted stock units are designed to encourage continuous stock ownership during the tenure to promote sharing and enhancing shareholder value, hence, the number of shares granted is not tied to performance. Performance share units are designed to encourage the enhancement of shareholder value through the achievement of Mid-Term performance targets, hence, the number of shares granted is tied to performance.

The ratio of fixed remuneration to variable remuneration for the President and Representative Director is set at approximately 1:3. As for the remuneration structure for the Directors who concurrently serve as Senior Executive Officers, excluding the President and Representative Director, the Directors at a higher corporate rank earn a greater portion of variable remuneration, given the level of responsibilities, etc., of each corporate rank. Additionally, the ratio of annual bonuses to stock compensation is set at approximately 1:1 to 1:2, with the higher the position, the greater the ratio of stock compensation.

Effective the beginning of the year ending December 31, 2026, remuneration for the Chairman and Representative Director will be established. Given the primary role of the Chairman and Representative Director is to strengthen governance and exercise oversight functions, the remuneration will consist of basic remuneration, annual bonuses, and restricted stock units, with the ratio of fixed to variable remuneration set at approximately 1:1.4.

b) Outside Directors

Remuneration for the Outside Directors consists of basic remuneration, which is a fixed remuneration, and restricted stock units that are not tied to performance. This structure reflects the role of the Outside Directors in supervising the Board of Directors and providing objective advice on management from positions independent from the conduct of business. The ratio of basic remuneration to stock compensation is set at approximately 1:0.2.

Following is an overview of the elements of remuneration:

Type of remuneration	Overview
Basic remuneration	[Fixed remuneration set according to the level of responsibilities of each corporate rank, etc.] <ul style="list-style-type: none"> - The individual amount of basic remuneration shall be decided at the Board of Directors after confirmation and deliberation by the Compensation Advisory Committee. The total amount of basic remuneration divided by 12 is paid monthly on the same pay day as employees' salary.
Annual bonus	[Cash remuneration intended to encourage the achievement of business size and profitability targets set for each fiscal year and accelerate K-ESG management efforts] <ul style="list-style-type: none"> - Consists of a portion linked to company-wide performance (50-70% of the annual bonus depending on a corporate rank), a portion of individual evaluation (10-30%), and a portion of K-ESG evaluation (20%). - The portion linked to company-wide performance changes between 0% and 200% of the base amount depending on the degree of achievement of consolidated revenue and consolidated operating profit margin, which are key indicators under the Mid-Term Business Plan 2025. - The portion of individual evaluation changes between 0% and 200% of the base amount depending on the degree of achievement of targets, such as company-wide strategic target set at the beginning of the fiscal year, specific targets under the Mid-Term Business Plan 2025, and financial targets for the area(s) target person is in charge of.

- The portion of K-ESG evaluation changes between 0% and 200% of the base amount depending on the degree of achievement in K-ESG promotion targets set at the beginning of the fiscal year.
- The target and the evaluation result of each evaluation category shall be decided at the Board of Directors after confirmation and deliberation by the Compensation Advisory Committee. Annual bonus is paid annually in March, in principle.

Type of remuneration	Overview
Restricted stock unit	<p>[Stock compensation intended to encourage continued shareholding during the tenure and share and improve shareholder value]</p> <ul style="list-style-type: none"> - The trust that sets Kubota Corporation as trustee delivers a certain number of restricted stocks as determined by corporate rank, generally after the closing of each fiscal year. In principle, transfer restriction of shares delivered shall be lifted at the time of retirement (which means the point of time when they are no longer Directors or Senior Executive Officers of Kubota Corporation; the same applies hereinafter).
Performance share unit	<p>[Stock compensation intended to encourage improvement of the shareholder value by achieving the Mid-Term performance target]</p> <ul style="list-style-type: none"> - The trust that sets Kubota Corporation as trustee delivers restricted stocks after the end of each performance evaluation period, depending on the financial evaluation results of the three-year performance evaluation period commencing each fiscal year. In principle, the transfer restriction of shares delivered shall be lifted at the time of retirement. - Return on invested capital (ROIC) and total shareholder return (TSR) are used as financial evaluation indicators. ROIC aims to maximize Mid-Term corporate value through efficient profit generation relative to invested capital, with the number of shares granted fluctuating between 0% to 200% based on the degree to which the target is achieved. For the President and Representative Director and Inside Directors who concurrently serve as Senior Executive Officers, TSR is used as an evaluation indicator alongside ROIC. To incentivize sustained corporate value enhancement, the number of shares granted fluctuates within a range of 0% to 200%, based on the percentile rank of the Company in the group of comparative competitors.

(Notes)

1. The policies regarding evaluation indicators and targets for annual bonuses and performance share units are continuously reviewed through deliberations by the Compensation Advisory Committee in response to changes in the management environment, etc.
2. Remuneration for Inside Directors who do not concurrently serve as Senior Executive Officers consists of basic remuneration, annual bonus (individual evaluation portion only), and restricted stock units, and the details of remuneration, etc. are determined by the Board of Directors after deliberation by the Compensation Advisory Committee.

(Remuneration level)

In order to properly secure competitiveness in terms of remuneration suitable for a GMB company, Kubota Corporation sets remuneration level for the Inside Directors according to their corporate ranks and duties, using an objective data on executive remuneration surveys conducted by the external professional institution ("Executive Compensation Database" by Willis Towers Watson (WTW)), etc., to identify a group of companies whose size, profitability, type of business, overseas networks, etc., are comparable to Kubota Corporation for comparison.

(Shareholding guideline)

For the purpose of deepening the level of value sharing with shareholders, Kubota Corporation encourages the Inside Directors to hold shares of Kubota Corporation as follows:

- President and Representative Director: Shares worth three times the basic remuneration by five years from taking office
- Other Directors: Shares worth 2.4 to 2.7 times the basic remuneration by five years from taking office

(Clawback / recovery of remuneration, etc. (malus and clawback clauses))

Kubota Corporation has compensation clawback clauses (i.e., malus and clawback clauses) for the restricted stock unit and the performance share unit granted to the Directors. If an incident of misconduct, etc., involving the Directors (including those retired) of Kubota Corporation arises or such a fact becomes apparent, Kubota Corporation may claim the return of all, or part, of preissued points to receive shares, delivered restricted shares, and shares after the transfer restriction is lifted. Decisions on claims for return and their details shall be determined by resolution of the Board of Directors following deliberation by the Compensation Advisory Committee.

(Remuneration determination process)

Kubota Corporation's policy on the decision of the details of remunerations for the Directors and the details of individual remuneration, etc., shall be determined by the resolution of the Board of Directors based on the result of objective deliberation by the Compensation Advisory Committee, of which a majority of members are Outside Directors. The deliberation by the Compensation Advisory Committee may be, if necessary, attended, or observed, by a remuneration advisor from WTW, an external specialized institution, for the purpose of providing an objective point of view as well as expert knowledge and information concerning remuneration plans.

A summary of discussions in the Compensation Advisory Committee during the year ended December 31, 2025, is described in (1) *Corporate Governance* 2) *Corporate Governance Structure*.

(Determination of individual remuneration)

Remuneration of the individual Director for the current fiscal year was determined by a resolution of the Board of Directors based on the objective deliberations of the Compensation Advisory Committee. Therefore, the Board of Directors has determined that the details of remuneration of the individual Directors are in line with the policy.

(Remuneration amount for the Directors)

In accordance with the resolution of the 132nd General Meeting of Shareholders held on March 18, 2022, the amount of monetary remuneration payable to the Directors is ¥900 million or less per year for the basic remuneration (¥160 million or less for the Outside Directors) and ¥1,060 million or less for the annual bonus. The number of the Directors subject to the remuneration as of the close of the same General Meeting of Shareholders was 10, including four Outside Directors, for the basic remuneration and six (no Outside Directors included) for the annual bonuses.

The amount of stock compensation for the Inside Directors resolved at the same General Meeting of Shareholders is ¥160 million or less (140 thousand shares or less) for the restricted stock unit, which is the fixed portion of the stock compensation, and ¥740 million or less (630 thousand shares or less) for the performance share unit, which is linked to business performance. The number of the Directors subject to stock compensation as of the close of the same General Meeting of Shareholders was six (no Outside Directors included).

The amount of stock compensation for the Outside Directors resolved at the 135th General Meeting of Shareholders held on March 21, 2025 is ¥50 million or less (20 thousand shares or less) for the restricted stock unit, which is the fixed portion of the stock compensation. The number of the Outside Directors subject to stock compensation as of the close of the same General Meeting of Shareholders was five.

(Remuneration for the Audit & Supervisory Board Members)

The remuneration for the Audit & Supervisory Board Members consists solely of the basic remuneration due to the roles they play and the need to preserve their independence. Within the range of the maximum amount of remuneration approved at the General Meeting of Shareholders, remuneration is determined through consultation among Audit & Supervisory Board Members, taking into consideration their roles and duties.

The amount of remuneration for the Audit & Supervisory Board Members resolved at the 132nd General Meeting of Shareholders held on March 18, 2022, is ¥250 million or less per year. The number of the Audit & Supervisory Board Members subject to remuneration as of the close of the same General Meeting of Shareholders was six, including three Outside Audit & Supervisory Board Members.

2) Remuneration by Position

The total amount of remuneration paid by Kubota Corporation for the year ended December 31, 2025, to the Directors and the Audit & Supervisory Board Members was as follows:

Position	Number of persons	Total amount of remuneration (millions of yen)	Total amount by type of remuneration (millions of yen)			
			Basic remuneration	Bonus	Restricted stock unit	Performance share unit
Directors (excluding Outside Directors)	6	¥ 739	¥ 324	¥ 237	¥ 146	¥ 32
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	3	137	137	—	—	—
Outside Directors	6	98	98	—	—	—
Outside Audit & Supervisory Board Members	4	55	55	—	—	—

(Notes)

- The amounts of the restricted stock unit and the performance share unit are the amounts recognized as expenses during the year ended December 31, 2025, and they are non-monetary remuneration.
- The above amounts include remuneration for one Outside Audit & Supervisory Board Member and one Outside Director who resigned at the conclusion of the 135th General Meeting of Shareholders held on March 21, 2025.

3) Consolidated Remuneration by Directors and Audit & Supervisory Board Members

The total amount of remuneration paid by the Company for the year ended December 31, 2025, to the Directors and the Audit & Supervisory Board Members was as follows:

Name	Total amount of consolidated remuneration (millions of yen)	Position	Company	Total amount by type of remuneration (millions of yen)			
				Basic remuneration	Bonus	Restricted stock unit	Performance share unit
Yuichi Kitao	¥ 293	Director	Kubota Corporation	¥ 100	¥ 88	¥ 46	¥ 59
Shingo Hanada	154	Director	Kubota Corporation	58	54	25	17
Hiroto Kimura	100	Director	Kubota Corporation	45	30	11	14

(Note)

The above information is limited to Directors and Audit & Supervisory Board Members whose total amount of consolidated remuneration is ¥100 million or more.

4) Targets and Results of Performance-Linked Remuneration Evaluation Indicators for the Current Fiscal Year

Type of remuneration (Note 1)	Indicators	Range of payment coefficient	Target (Note 1)	Result	Payment coefficient	
Annual Bonus	Consolidated Revenue	0 to 200%	Upper limit	¥3,500 billion	¥3,018.9 billion	96%
			Baseline	¥3,050 billion		
			Lower limit	¥2,600 billion		
	Consolidated operating profit margin		Upper limit	12.2%	8.8%	65%
			Baseline	10.2%		
Lower limit	8.2%					
K-ESG evaluation (Note 2)	—	—	109%			
Individual evaluation (Note 3)	—	—	—			
Performance Share Unit	ROIC (Note 4)	Upper limit	7.22%	5.09%	79%	
		Baseline	5.72%			
		Lower limit	4.22%			

(Notes)

- The upper limit, baseline, and lower limit are indicators for which the payment coefficients upon achievement are 200%, 100%, and 50%, respectively, while the payment coefficient is 0% when the achievement is below the lower limit
- With regards to the K-ESG evaluation for the current fiscal year, an evaluation sheet was prepared covering all materiality, and the Compensation Advisory Committee evaluated the progress made as of the end of the fiscal year against the Mid-Term targets. As a result of the evaluation, the payment coefficient was set at 109%.
- The Compensation Advisory Committee reviewed the result of achievement of company-wide strategic targets set at the beginning of the fiscal year, specific targets for initiatives in the Mid-Term business plan, and financial targets for the areas under their responsibility and the Board of Directors approved.
- ROIC (profit attributable to owners of the parent divided by invested capital) is based on the average of the annual results for fiscal years 2023 through 2025.

(5) Information on Shareholdings

1) Criteria for Classification of Investment Securities

Kubota Corporation classifies investment securities into the following two categories. The investment securities that are held for the purpose of being benefited exclusively through share price fluctuations and dividends are classified as investment securities for pure investment purposes. The rest of investment securities are classified as investment securities held for purposes other than pure investment.

2) Investment Securities Held for Purposes Other than Pure Investment

a) Policy for Holding Shares, Examination Methods to Verify the Rationality of Holding Shares, and Details of Verification at the Board of Directors Concerning Appropriateness of Holding Each Shares

Kubota Corporation believes it is necessary to cooperate with various companies in every business process, such as product development, manufacturing, distribution, sales, service, and funding to succeed in global competition, realize its sustainable growth, and achieve Mid-Term improvement in corporate value. From this perspective, Kubota Corporation maintains cross-shareholdings based on comprehensive consideration of business relationships and business strategies.

Each individual share of cross-shareholdings is examined annually at the Board of Directors to verify appropriateness of holding these shares, taking into consideration the purpose of holding, benefits and risks associated, and other factors. If it is determined that maintaining certain shares are no longer appropriate, shareholdings are gradually decreased, considering the market environment and other factors. In the fiscal year ended December 31, 2025, Kubota Corporation sold ¥12,674 million of cross-shareholdings.

b) Number of Issues and Amount Recorded in the Balance Sheets

	Number of issues (issuers)	Total amount recorded in balance sheets (millions of yen)
Unlisted shares	44	¥ 10,545
Other than unlisted shares	21	69,343

Increase in the number of shares held for the year ended December 31, 2025

	Number of issues (issuers)	Total amount acquired due to increase in number of shares held (millions of yen)	Reasons of increase
Unlisted shares	4	¥ 1,734	Investment to promote open innovation in collaboration with external partners, etc.
Other than unlisted shares	—	—	—

Decrease in the number of shares held for the year ended December 31, 2025

	Number of issues (issuers)	Total amount sold due to decrease in number of shares held (millions of yen)
Unlisted shares	1	¥ 0
Other than unlisted shares	8	12,674

c) Information on the Issues, the Number of Shares, and the Amount of Specified Investment Securities and Deemed Shareholdings Recorded in the Balance Sheets

Specified Investment Securities

Issue	As of December 31, 2025	As of December 31, 2024	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reason for increase in the number of shares held	Ownership of Kubota Corporation share: (Y/N)
	Number of shares (thousands of shares) Balance sheet amount (millions of yen)	Number of shares (thousands of shares) Balance sheet amount (millions of yen)		
Osaka Gas Co., Ltd.	3,125	3,125	Maintaining and enhancing business relationships as a sales partner in pipe system	Y
	16,973	10,815		
Sumitomo Mitsui Trust Group, Inc.	2,828	2,828	Maintaining stable funding	N (*)
	13,512	10,443		
Sumitomo Mitsui Financial Group, Inc.	1,741	1,741	Maintaining stable funding	N (*)
	8,777	6,553		
Toho Gas Co., Ltd.	1,439	1,439	Maintaining and enhancing business relationships as a sales partner in pipe system	Y
	6,711	6,118		
Mitsubishi UFJ Financial Group, Inc.	2,416	2,416	Maintaining stable funding	N (*)
	6,023	4,460		

Issue	As of	As of	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reason for increase in the number of shares held	Ownership of Kubota Corporation share: (Y/N)
	December 31, 2025	December 31, 2024		
	Number of shares (thousands of shares)	Number of shares (thousands of shares)		
	Balance sheet amount (millions of yen)	Balance sheet amount (millions of yen)		
Nihon Suido Consultants Co., Ltd.	2,370	2,370	Establishing relationships to expand Water & Environment business	N
	5,818	3,308		
Mitsubishi Estate Co., Ltd.	1,052	1,052	Maintaining and enhancing business relationships as a sales partner in pipe system	Y
	4,019	2,314		
Denyo Co., Ltd.	500	500	Maintaining and enhancing business relationships as a sales partner in farm equipment and engines	Y
	1,795	1,495		
SAIBU GAS HOLDINGS CO., LTD.	586	586	Maintaining and enhancing business relationships as a sales partner in pipe system	Y
	1,322	1,015		
Nankai Electric Railway Co., Ltd.	366	366	Maintaining and enhancing relationships with the local economy	Y
	1,088	909		
Yamazen Corporation	703	1,055	Maintaining and enhancing business relationships as a sales partner and stable procurement relationships in pipe system	Y
	1,043	1,472		
Wakita & Co., LTD.	300	300	Maintaining and enhancing business relationships as a sales partner in construction machinery	N
	578	504		
SHINTOKOGIO, LTD.	485	485	Maintaining stable procurement relationships in farm equipment and engines	Y
	527	459		
Takakita Co., Ltd.	660	660	Maintaining stable procurement relationships in farm equipment and engines	Y
	265	246		
YOROZU CORPORATION	250	250	Maintaining stable procurement relationships in farm equipment and engines	Y
	251	303		
MARUYAMA MFG. CO., INC.	95	95	Maintaining stable procurement relationships in farm equipment and engines	Y
	219	201		
NIKKATO CORPORATION	200	200	Maintaining stable procurement relationships in the environment business	Y
	126	100		
Daido Metal Co., Ltd.	120	120	Maintaining stable procurement relationships in Farm & Industrial Machinery	Y
	117	63		
ASIA PILE HOLDING CORPORATION	55	55	Maintaining and enhancing business relationships as a sales partner in industrial products	N
	77	46		
OKAYA & CO., LTD.	8	8	Maintaining and enhancing business relationships as a sales partner in the environment business	Y
	75	56		
Kitagawa Corporation	11	11	Maintaining stable procurement relationships in the Farm & Industrial Machinery	Y
	19	13		
Shin-Etsu Chemical Co., Ltd.	—	2,323	All shares sold as a result of examination	Y
	—	12,302		
Keihanshin Building Co., Ltd.	—	447	All shares sold as a result of examination	Y
	—	739		
Keneka Corporation	—	138	All shares sold as a result of examination	Y
	—	520		

Issue	As of	As of	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reason for increase in the number of shares held	Ownership of Kubota Corporation share: (Y/N)
	December 31, 2025	December 31, 2024		
	Number of shares (thousands of shares)	Number of shares (thousands of shares)		
	Balance sheet amount (millions of yen)	Balance sheet amount (millions of yen)		
SHIMIZU CORPORATION	—	138	All shares sold as a result of examination	N
	—	172		
YUASA TRADING CO., LTD.	—	27	All shares sold as a result of examination	N
	—	121		
AIRMAN CORPORATION	—	50	All shares sold as a result of examination	N
	—	90		
TODA CORPORATION	—	84	All shares sold as a result of examination	N
	—	80		

(Notes)

1. Although quantitative holding effects are difficult to describe, the appropriateness of holding share is verified for each individual issue in the manner described in the section, a) *Policy for Holding Shares, Examination Methods to Verify the Rationality of Holding Shares, and Details of Verification at the Board of Directors Concerning Appropriateness of Holding Each Shares.*
2. "N (*)" in *Ownership of Kubota Corporation share* indicates that the issuer does not hold shares of Kubota Corporation, but its subsidiary does.

Deemed Shareholdings

Issue	As of	As of	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reason for increase in the number of shares held	Ownership of Kubota Corporation share: (Y/N)
	December 31, 2025	December 31, 2024		
	Number of shares (thousands of shares)	Number of shares (thousands of shares)		
	Balance sheet amount (millions of yen)	Balance sheet amount (millions of yen)		
Shin-Etsu Chemical Co., Ltd.	3,100 15,106	3,100 16,417	Restriction on exercising its voting rights	Y
Mizuho Financial Group, Inc.	1,720 9,804	1,720 6,661	Restriction on exercising its voting rights	N (*)
Sumitomo Mitsui Financial Group, Inc.	1,925 9,707	1,925 7,248	Restriction on exercising its voting rights	N (*)
Mitsubishi UFJ Financial Group, Inc.	3,344 8,337	3,344 6,173	Restriction on exercising its voting rights	N (*)
Kaneka Corporation	207 913	207 780	Restriction on exercising its voting rights	Y

(Notes)

1. Although quantitative holding effects are difficult to describe, the appropriateness of holding share is verified for each individual issue in the manner described in the section, *a) Policy for Holding Shares, Examination Methods to Verify the Rationality of Holding Shares, and Details of Verification at the Board of Directors Concerning Appropriateness of Holding Each Shares*.
2. Deemed shareholdings are held through a retirement benefit trust. The amounts stated in the *Balance sheet amount* column are calculated by multiplying market price as of the balance sheet date by the number of shares of related securities. The details of rights that Kubota Corporation holds to related securities are stated in the Purpose of holding column.
3. "N (*)" in *Ownership of Kubota Corporation share* indicates that the issuer does not hold shares of Kubota Corporation, but its subsidiary does.

3) Equity Securities Held for Pure Investment

Not applicable.

5. Stock-Related Administration of Kubota Corporation

Fiscal year:	From January 1 to December 31
Ordinary General Meeting of Shareholders:	During March
Record date:	December 31
Record date for dividend distribution of surplus:	June 30 and December 31
Number of shares per unit of shares:	100 shares
Purchase and sale of shares less than one unit:	
Handling office:	(Special account) 5-33, Kitahama 4-chome, Chuo-ku, Osaka, Japan Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Business Planning Dept.
Transfer agent:	(Special account) 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan Sumitomo Mitsui Trust Bank, Limited
Forward office:	—
Purchasing and selling fee:	Amount equivalent to fees for entrusting sale or purchase of stock
Method of public notice:	Public notifications from Kubota Corporation shall be given by way of electronic public notice; provided, however, that in cases where it is unable to give public notifications by way of electronic public notice due to an accident or other unavoidable circumstances, public notifications shall be posted in the Nihon Keizai Shimbun (the Nikkei Newspaper). The electronic public notice is posted on the website of Kubota Corporation at the following URL: <i>http://www.kubota.co.jp</i>
Special benefit for shareholders:	Not applicable

(Note)

A holder of shares of Kubota Corporation representing less than one unit can only execute the following rights:

- 1) Rights under each item of Article 189, paragraph 2 of the Act,
- 2) Rights to claim under Article 166, paragraph 1 of the Act,
- 3) Rights to receive an allocation of share offerings and stock acquisition rights in proportion to the number of shares held, and
- 4) Rights to claim for the sale of shares by combining a share representing less than one unit.

6. Reference Information on Kubota Corporation

1. Information on Parent Company of Kubota Corporation

Kubota Corporation has no parent company.

2. Other Reference Information

The following documents were filed between the beginning of the year ended December 31, 2025, and the filing date of the Annual Securities Report.

(1) Annual Securities Report and the attachments thereto, and Confirmation Letter	Fiscal Year (the 135 th business term)	From January 1, 2024, to December 31, 2024	Filed with the Director of the Kanto Local Finance Bureau on March 21, 2025
(2) Internal Control Report and the attachments thereto	Fiscal Year (the 135 th business term)	From January 1, 2024, to December 31, 2024	Filed with the Director of the Kanto Local Finance Bureau on March 21, 2025
(3) Amendment Report for Annual Securities Report and Confirmation Letter	Fiscal Year (the 134 th business term)	From January 1, 2023, to December 31, 2023	Filed with the Director of the Kanto Local Finance Bureau on May 9, 2025
	Fiscal Year (the 135 th business term)	From January 1, 2024, to December 31, 2024	
(4) Semiannual Securities Report and Confirmation Letter	(First Half of the 136 th business term)	From January 1, 2025, to June 30, 2025	Filed with the Director of the Kanto Local Finance Bureau on August 8, 2025
(5) Extra Ordinary Report	Pursuant to Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs (Results of Execution of Voting Rights at the General Meeting of Shareholders)		Filed with the Director of the Kanto Local Finance Bureau on March 24, 2025
	Pursuant to Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs (Retirement of Treasury Shares for Restricted Share Remuneration)		Filed with the Director of the Kanto Local Finance Bureau on February 12, 2026
(6) Shelf Registration Statements (Shares, Bonds, etc.)			Filed with the Director of the Kanto Local Finance Bureau on March 31, 2025
(7) Amended Shelf Registration Statements (Bonds)			Filed with the Director of the Kanto Local Finance Bureau on the following dates: May 9, 2025 February 12, 2026
(8) Status Report of Acquisition of Treasury Stock			Filed with the Director of the Kanto Local Finance Bureau on the following dates: May 9, 2025 June 4, 2025 July 3, 2025 August 5, 2025 September 3, 2025 October 3, 2025 November 6, 2025 December 3, 2025 January 7, 2026

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS OF KUBOTA CORPORATION AND ITS SUBSIDIARIES

Consolidated Statement of Financial Position (as of December 31, 2025 and 2024)	103
Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income (for the years ended December 31, 2025 and 2024)	105
Consolidated Statement of Changes in Equity (for the years ended December 31, 2025 and 2024)	106
Consolidated Statement of Cash Flows (for the years ended December 31, 2025 and 2024)	107
Notes to Consolidated Financial Statements	109
Independent Auditor's Report (Filed under the Financial Instruments and Exchange Act of Japan) (Translation)	169
Confirmation Letter (Translation)	175
Management's Report on Internal Control over Financial Reporting (Translation)	177

Consolidated Financial Statements
Kubota Corporation and Its Subsidiaries

(1) Consolidated Statement of Financial Position

(Unit: millions of yen)

December 31:	Note	2025	2024
ASSETS			
Current assets:			
Cash and cash equivalents	5	¥ 276,959	¥ 295,130
Trade receivables	6	1,001,683	985,228
Finance receivables	7, 15	645,082	643,757
Other financial assets	8	159,598	103,791
Contract assets		52,537	49,567
Inventories	9	688,893	692,276
Income taxes receivable		22,667	10,741
Other current assets	19	75,762	63,544
Assets held for sale	10	—	23,424
Total current assets		2,923,181	2,867,458
Noncurrent assets:			
Investments accounted for using the equity method	11	54,653	51,664
Finance receivables	7, 15	1,576,174	1,548,746
Other financial assets	8	181,982	194,210
Property, plant, and equipment	12, 14, 15	940,382	861,840
Goodwill	13, 14	139,868	143,325
Intangible assets	13, 14	208,076	203,863
Deferred tax assets	27	109,138	105,460
Other noncurrent assets	21	71,455	42,099
Total noncurrent assets		3,281,728	3,151,207
Total assets		¥ 6,204,909	¥ 6,018,665

(Unit: millions of yen)

December 31:	Note	2025	2024	
LIABILITIES AND EQUITY				
Current liabilities:				
Bonds and borrowings	16	¥ 860,439	¥ 903,143	
Trade payables	17	296,375	274,743	
Other financial liabilities	15, 18	109,945	105,653	
Insurance contract liabilities	19	62,143	59,970	
Income taxes payable		31,554	24,774	
Provisions	20	83,133	83,062	
Contract liabilities		46,070	39,084	
Other current liabilities	22	281,269	282,910	
Liabilities directly associated with assets held for sale	10	—	2,019	
Total current liabilities		1,770,928	1,775,358	
Noncurrent liabilities:				
Bonds and borrowings	16	1,381,640	1,374,934	
Other financial liabilities	15, 18	68,961	49,301	
Retirement benefit liabilities	21	44,031	17,207	
Deferred tax liabilities	27	58,191	54,262	
Other noncurrent liabilities	20, 22	8,134	7,837	
Total noncurrent liabilities		1,560,957	1,503,541	
Total liabilities		3,331,885	3,278,899	
Equity:				
Equity attributable to owners of the parent:	23			
Share capital		84,130	84,130	
Share premium		97,036	96,646	
Retained earnings		1,955,883	1,832,348	
Other components of equity		488,865	466,937	
Treasury shares		(2,929)	(2,747)	
Total equity attributable to owners of the parent		2,622,985	2,477,314	
Noncontrolling interests		250,039	262,452	
Total equity		2,873,024	2,739,766	
Total liabilities and equity	¥	6,204,909	¥	6,018,665

See notes to consolidated financial statements.

(2) Consolidated Statement of Profit or Loss and
Consolidated Statement of Comprehensive Income

Consolidated Statement of Profit or Loss

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

Years ended December 31:	Note	2025	%	2024	%
Revenue	24	¥ 3,018,891	100.0	¥ 3,016,281	100.0
Cost of sales	9, 12, 13, 21	(2,134,577)		(2,088,301)	
Selling, general, and administrative expenses	12, 13, 21	(609,108)		(597,007)	
Other income	10, 25	31,495		23,471	
Other expenses	25	(41,231)		(38,808)	
Operating profit		265,470	8.8	315,636	10.5
Finance income	26	28,985		26,305	
Finance costs	26	(12,315)		(6,644)	
Profit before income taxes		282,140	9.3	335,297	11.1
Income tax expenses	27	(68,125)		(80,732)	
Share of profits of investments accounted for using the equity method	11	2,741		5,099	
Profit for the year		¥ 216,756	7.2	¥ 259,664	8.6
Profit attributable to:					
Owners of the parent		¥ 186,687	6.2	¥ 230,437	7.6
Noncontrolling interests		¥ 30,069	1.0	¥ 29,227	1.0
Earnings per share attributable to owners of the parent:					
Basic	28	¥ 163.44		¥ 197.61	
Diluted		¥ —		¥ —	

Consolidated Statement of Comprehensive Income

(Unit: millions of yen)

Years ended December 31:	Note	2025	2024
Profit for the year		¥ 216,756	¥ 259,664
Other comprehensive income, net of income tax:	23		
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans		4,912	2,381
Net change in fair value of financial assets measured at fair value through other comprehensive income		10,007	12,853
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translating foreign operations		20,995	185,934
Total other comprehensive income, net of income tax		35,914	201,168
Comprehensive income for the year		¥ 252,670	¥ 460,832
Comprehensive income attributable to:			
Owners of the parent		¥ 222,192	¥ 409,490
Noncontrolling interests		¥ 30,478	¥ 51,342

See notes to consolidated financial statements.

(3) Consolidated Statement of Changes in Equity

(Unit: millions of yen)

	Note	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 January 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	23				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	23			(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 payments transactions			217				217		217
Changes in ownership interests in subsidiaries			(948)		(81)		(1,029)	1,308	279
Balance as of December 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	23				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	23			(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 December 31, 2025		¥ 84,130	¥ 97,036	¥ 1,955,883	¥ 488,865	¥ (2,929)	¥ 2,622,985	¥ 250,039	¥ 2,873,024

See notes to consolidated financial statements.

(4) Consolidated Statement of Cash Flows

(Unit: millions of yen)

Years ended December 31:	Note	2025	2024
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	10	(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
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)

(Unit: millions of yen)

Years ended December 31:	Note	2025	2024
Cash flows from financing activities:			
Funding from bonds and long-term borrowings	29	620,496	665,109
Redemptions of bonds and repayments of long-term borrowings	29	(651,061)	(524,084)
Net decrease in short-term borrowings	29	(20,161)	(5,496)
Repayments of lease liabilities	29	(23,738)	(22,112)
Net increase (decrease) in deposits from Group financing (within three months)	29	7,224	(4,286)
Deposits from Group financing received (over three months)	29	26,519	21,415
Repayments of deposits from Group financing (over three months)	29	(23,534)	(18,834)
Dividends paid	23	(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)
Effect of exchange rate changes on cash and cash equivalents		2,116	26,083
Net (decrease) increase in cash and cash equivalents		(18,171)	73,012
Cash and cash equivalents, at the beginning of the year	5	295,130	222,118
Cash and cash equivalents, at the end of the year	5	¥ 276,959	¥ 295,130

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Kubota Corporation and Its Subsidiaries

1. REPORTING ENTITY

Kubota Corporation (the "Parent Company") is an entity located in Japan. The Parent Company and its subsidiaries (the "Company") are manufacturing and sales companies, with a comprehensive range of products related to farm equipment, engines, construction machinery, pipe system, industrial products, environment and other.

The Company manufactures its products not only in Japan, but also in overseas countries, including the United States, France, Germany, China, Thailand, and India, and sells them in Japan, North America, Europe, Asia, and other area.

2. BASIS OF FINANCIAL STATEMENTS

Compliance with IFRS Accounting Standards

The consolidated financial statements of the Company are prepared in accordance with IFRS Accounting Standards, as permitted by the provision of Article 312 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (the "Ordinance"), since the Company is fully qualified as a *Specified Company under Designated International Financial Reporting Standards* pursuant to the provision of Article 1-2 of the Ordinance.

Functional Currency and Presentation Currency

The consolidated financial statements of the Company are presented in Japanese yen, the functional currency of the Parent Company, and figures are rounded to the nearest million yen.

Significant Accounting Judgments, Estimates, and Assumptions

The consolidated financial statements of the Company are prepared by using judgments, estimates, and assumptions relating to the application of accounting policies and reporting of assets, liabilities, revenue, and expenses. Actual results could differ from those accounting estimates and assumptions.

The estimates and assumptions are continually reviewed. The effects of a change in accounting estimates, if any, are recognized in the reporting period in which the change is made and in the future periods.

The judgments made in applying accounting policies, which could have a material impact on the Company's consolidated financial statements, are as follows:

- (a) Scope of consolidated subsidiaries, associates, and joint ventures (refer to Note 3. MATERIAL ACCOUNTING POLICIES, Basis of Consolidation)
- (b) Classification of financial instruments (refer to Note 3. MATERIAL ACCOUNTING POLICIES, Financial Instruments)
- (c) Timing of satisfaction of performance obligations (refer to Note 3. MATERIAL ACCOUNTING POLICIES, Revenue Recognition)

The information related to risks and uncertainties arising from assumptions and estimates that could result in material adjustments after the financial statement date is as follows:

- (a) Measurement of intangible assets and goodwill acquired through business combination (refer to Note 3. MATERIAL ACCOUNTING POLICIES, Business Combination, Goodwill and Intangible Assets; Note 13. GOODWILL AND INTANGIBLE ASSETS)
- (b) Impairment of financial assets measured at amortized cost (refer to Note 3. MATERIAL ACCOUNTING POLICIES, Financial Instruments and Note 30. FINANCIAL INSTRUMENTS)
- (c) Impairment of nonfinancial assets (refer to Note 3. MATERIAL ACCOUNTING POLICIES, Impairment of Nonfinancial Assets; Note 14. IMPAIRMENT OF NONFINANCIAL ASSETS)
- (d) Measurement of insurance contracts (refer to Note 3. MATERIAL ACCOUNTING POLICIES, Insurance Contracts and Note 19. INSURANCE CONTRACTS)
- (e) Measurement of provisions (refer to Note 3. MATERIAL ACCOUNTING POLICIES, Provisions and Note 20. PROVISIONS)
- (f) Measurement of defined benefit liabilities (refer to Note 3. MATERIAL ACCOUNTING POLICIES, Postemployment Benefits and Note 21. EMPLOYEE BENEFITS)
- (g) Contingent liabilities (refer to Note 33. COMMITMENTS AND CONTINGENT LIABILITIES)

Changes in Presentation

Consolidated Statement of Cash Flows

“Impairment losses” which was previously included in “Other, net” in cash flows from operating activities is included in “Depreciation, amortization and impairment losses” from the year ended December 31, 2025, as the amount became material. To reflect this change in presentation, the comparative information has been retrospectively adjusted. As a result, of the net cash outflow of ¥684 million presented as “Other, net” in cash flows from operating activities in the year ended December 31, 2024, net cash inflow of ¥444 million relating to “Impairment losses” has been included in “Depreciation, amortization and impairment losses” and net cash outflow of ¥1,128 million is presented as “Other, net.”

3. MATERIAL ACCOUNTING POLICIES

Basis of Consolidation

(1) Subsidiaries and structured entities

Subsidiaries are entities that are controlled by the Company. Having control is defined as having power over an entity, being exposed to changes in returns resulting from involvement in the entity, and having the ability to influence returns through power over the entity. Existence of control over the entity is determined by comprehensive evaluation of various factors that indicate the possibility of control, such as the status of voting rights or similar rights, the nature of contracts, and whether the majority of the board of directors of the entity are dispatched officers and employees of the Company.

The financial statements of subsidiaries are included in the consolidated financial statements from the date when the Company obtains control over the subsidiary until the date when it loses control. Adjustments are made to the financial statements of subsidiaries if their accounting policies differ from those of the Company. Balances of receivables and payables, and unrealized profit or loss arising from intercompany transactions are eliminated in the consolidated financial statements. Any change in ownership interests in a subsidiary that does not result in a loss of control is accounted for as an equity transaction. When control is lost, the investment retained after the loss of control is remeasured at fair value as of the date of the loss of control, and gains or losses arising from remeasurement are recognized in profit or loss.

Structured entities are entities designed so that voting or similar rights are not the dominant factor in deciding whether control exists. Upon financing through securitization, the Company transfers a portion of financing receivables to newly established structured entities. Subsequent to the transfer, the Company manages past due and default receivables and also retains a residual interest in structured entities. Therefore, the Company has the ability to direct the activities that most significantly affect the economic performance of structured entities and has the obligation to bear potentially significant losses, and therefore, the Company consolidates such structured entities.

(2) Associates and joint ventures

Associates are entities over which the Company has a significant influence over financial and operating policies, but does not have control or joint control. If the Company holds, directly or indirectly, 20% or more and less than 50% of the voting rights of the entity, it is presumed that the Company has significant influence over the entity, unless it can be clearly demonstrated that this is not the case.

Joint ventures are joint arrangements, whereby the parties, including the Company, that have joint control of the arrangements have rights to the net assets of the arrangements. Joint arrangements are arrangements in which two or more parties have joint control, and joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for using the equity method from the date when the investees are determined as associates or joint ventures until the date they are determined not to be. When an entity no longer meets the criteria for an associate or joint venture and the application of the equity method is discontinued, the investment retained after the discontinuation of the equity method is remeasured at fair value, and gains or losses arising from remeasurement are recognized in profit or loss, unless the entity meets the criteria for a subsidiary.

If there is any objective evidence of impairment on investments in associates or joint ventures, the Company conducts impairment tests on those investments as one asset group.

Business Combination

Business combinations are accounted for by the acquisition method and acquisition-related costs that are attributable to a business combination are expensed as incurred. Consideration for acquisition is measured as the sum of the acquisition date fair values of the assets transferred, liabilities assumed, and equity instruments issued by the Company in exchange of control over the acquired company. If consideration for acquisition exceeds the fair value of identifiable assets and liabilities, such excess is recorded as goodwill in the consolidated statement of financial position. Conversely, if the consideration turns out to be less than the fair value, the difference is immediately recognized in profit or loss in the consolidated statement of profit or loss.

For each business combination, the Company chooses whether noncontrolling interests are measured at fair value or at the proportion of the fair value of the identifiable assets and liabilities of the acquiree.

Acquisition of additional noncontrolling interests after control is obtained is accounted for as an equity transaction and no goodwill arising from such a transaction is recognized.

Business combinations under common control (i.e., transactions in which all of the combining entities and/or businesses are ultimately controlled by the same party or parties both before and after the business combination and the common control is not transitory) are accounted for at carrying amount.

If the initial accounting for the business combination is incomplete by the end of the fiscal year in which the business combination occurs, the business combination is accounted for using the provisional amounts. Provisional amounts are retrospectively adjusted when new information about facts and circumstances that existed at the acquisition date becomes available during the measurement period which shall not exceed one year from the acquisition date.

When a business combination is achieved in stages, previously held interest in the acquiree by the Company is remeasured at fair value as of the date of obtaining control and resulting gains or losses are recognized in profit or loss, or other comprehensive income.

Foreign Currency Translation

(1) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of each company using the exchange rate at the date of the transactions or a rate that approximates such rate.

At the end of each reporting period, monetary items denominated in foreign currencies are translated into the functional currency using the closing rate, and nonmonetary items denominated in foreign currencies measured at fair value are translated into the functional currency using the exchange rate at the date when the fair value is measured. Exchange differences arising from the translation or settlement are recognized in profit or loss.

(2) Translation of foreign operations

Assets and liabilities of foreign operations are translated at the closing rate, while their income and expenses are translated at the average rate during the period. Exchange differences arising from translation are recognized in other comprehensive income.

When control or significant influence of foreign operations is lost due to the disposal of those operations, cumulative translation differences arising from those operations are reclassified to profit or loss at the time of disposal as part of gain or loss on the disposal of foreign operations.

Financial Instruments

(1) Financial assets (excluding derivatives)

Initial recognition

The Company initially recognizes trade receivables and other receivables on the date such receivables arise and recognizes other financial assets as of the transaction date, on which the Company becomes a party to the agreement, at the fair value, plus transaction costs that are directly attributable to the acquisition. However, trade receivables that do not include significant financial components are measured at the transaction price.

Classification and subsequent measurement

Financial assets are classified as financial assets measured at amortized cost, debt financial assets measured at fair value through other comprehensive income, equity financial assets measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss.

Financial assets measured at amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest method if both of the following conditions are met. Specifically, the amount measured at initial recognition is reduced by repayment of principal by adjusting for the accumulated amortized amount, which is calculated by the effective interest method on the differences between initially recognized amount and maturity amount. This amount is also adjusted by an allowance for doubtful accounts for related financial assets.

- (a) The financial assets are held within a business model with the objective of collecting contractual cash flows, and
- (b) The contractual terms of the financial assets provide cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Debt financial assets measured at fair value through other comprehensive income

Financial assets are classified as debt financial assets measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) The financial assets are held within a business model with the objective of both collecting contractual cash flows and selling financial assets, and
- (b) The contractual terms of the financial assets provide cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Equity financial assets measured at fair value through other comprehensive income

With regard to equity financial assets, the Company has elected to recognize changes in fair value in other comprehensive income.

The accumulated amounts of net changes in the fair value of the equity financial assets are transferred to retained earnings, not to profit or loss, when the equity financial assets are derecognized or the fair value of equity financial assets declines from the acquisition cost and its decline is deemed to be more than temporary.

Dividends on equity financial assets measured at fair value through other comprehensive income are recognized in profit or loss as finance income, unless the dividend clearly represents a recovery of part of the cost of the investment.

Financial assets measured at fair value through profit or loss

Financial assets that are not classified as financial assets measured at amortized cost, debt financial assets measured at fair value through other comprehensive income, or equity financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss. Subsequent changes in fair value related to financial assets measured at fair value through profit or loss are recognized in profit or loss.

Derecognition

Financial assets are derecognized when contractual rights to cash flows from the financial assets expire or when contractual rights to receive the cash flows are transferred and, substantially, all risks and rewards of ownership of the financial assets are transferred.

Impairment of financial assets measured at amortized cost

The Company evaluates and recognizes an allowance for doubtful accounts for expected credit losses on financial assets measured at amortized cost at the end of each reporting period, reflecting the collection status of these financial assets, historical credit loss experience, economic trends, customers' ability to repay, collateral values, and other factors. If the credit risk on financial assets is determined to be low at the end of the reporting period, such credit risk is deemed not to have significantly increased since initial recognition, and an allowance for doubtful accounts is recognized for the 12-month expected credit losses. The Company considers that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due and recognizes an allowance for doubtful accounts for the lifetime expected credit losses, unless there is reasonable contradictory evidence. With regard to trade receivables, contract assets, and long-term trade accounts receivables, an allowance for doubtful accounts is always recognized for the lifetime expected credit losses. The provision of an allowance for doubtful accounts or reversal of a previously recognized allowance is recognized in profit or loss, and included within selling, general, and administrative expenses. The Company directly writes off the gross carrying amount of receivables when the Company has no reasonable expectation of recovering the contractual cash flows. The Company defines a default on financial assets as a loss of the debtor's ability to repay.

(2) Financial liabilities (excluding derivatives)

Initial recognition

The Company initially recognizes financial liabilities on the transaction date, which is when the Company becomes party to an agreement, at fair value, less directly attributable transaction costs.

Classification and subsequent measurement

Financial liabilities are classified as financial liabilities measured at amortized cost. They are subsequently measured at amortized cost using the effective interest method. Amortization is calculated using the effective interest method and gains or losses arising from derecognition are recognized in profit or loss.

Derecognition

Financial liabilities are derecognized when they are extinguished due to satisfaction of contractual obligations related to the financial liabilities.

(3) Derivatives and hedge accounting

In order to hedge foreign currency risk and interest rate risk, the Company uses derivative financial instruments, such as foreign exchange forward contracts and interest rate swap contracts. Since these derivatives do not meet the requirements for hedge accounting, hedge accounting is not applied. The Company initially recognizes these derivatives at fair value at the date the contracts are entered into and subsequently remeasures them at fair value. Changes to the fair value of these derivatives are recognized in profit or loss.

(4) Fair value measurements

Fair value measurements are classified into the following three levels by inputs used for measurements:

Level 1 - Quoted prices in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3 - Unobservable inputs for the assets or liabilities. These are measured using the entity's own assumptions and inputs that are reasonably available or inputs many market participants use with reasonable confidence

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits withdrawable at any time, and short-term investments with a maturity of three months or less from the acquisition date that are readily convertible to cash and are subject to insignificant risk of changes in value.

Inventories

Inventories are stated at the lower of cost or net realizable value. Costs include purchase costs, direct labor costs, other direct costs, related production overheads based on the normal capacity of the production facilities, and all expenses required to bring the inventories to the present location and condition, principally determined by the moving average method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and those necessary to sell the inventories.

Assets held for sale

A noncurrent asset or disposal group for which the carrying amount is expected to be recovered principally through a sale transaction instead of through continuing use is classified as held for sale, if the sale is highly probable within one year from the date of classification, the noncurrent asset or disposal group is available for immediate sale in its present condition, and the management of the Company is committed to a plan to sell.

The noncurrent asset or disposal group that is classified as held for sale is measured at the lower of carrying amount and fair value less costs to sell, and is not depreciated or amortized after being classified as held for sale.

Property, Plant, and Equipment

Property, plant, and equipment are measured based on the cost model and are stated at cost, less accumulated depreciation and accumulated impairment losses. Costs include the costs directly attributable to the acquisition of assets; costs of dismantling, removing, and restoration of assets; and borrowing costs that meet certain criteria for capitalization.

Property, plant, and equipment, except land and construction in progress, are principally depreciated using the straight-line method based on the estimated useful lives of the assets. The estimated useful lives range from 10-50 years for buildings and structures, and from two to 14 years for machinery and other equipment. Estimated useful lives, the depreciation method, and residual value of the assets are reviewed at least at each fiscal year end. Any changes in the useful life, depreciation method, and residual value are accounted for prospectively as a change in estimates.

Goodwill and Intangible Assets

(1) Goodwill

Goodwill is not amortized and is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating unit (CGU), or groups of CGUs, that are expected to benefit from the synergies of a business combination. Goodwill is tested for impairment annually, regardless of whether there is any indication of impairment, or whenever there is an indication of impairment or circumstances change. Impairment losses on goodwill are recognized in profit or loss and are not subsequently reversed.

The measurement of goodwill on initial recognition is described in *Business Combination* section.

(2) Intangible assets

Intangible assets are measured based on the cost model and are stated at cost, less accumulated amortization and accumulated impairment losses. Intangible assets with indefinite useful lives are stated at cost, less accumulated impairment losses.

Intangible assets acquired separately are measured at cost on initial recognition. Intangible assets acquired in a business combination, such as customer relationships, trademarks, and technology know-how, are measured at fair value at the acquisition date based on assumptions, such as estimated future cash flows and discount rates.

Intangible assets with definite useful lives are amortized by the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the main intangible assets are as follows: primarily 5-10 years for software for internal use, five years for capitalized development costs, 8-18 years for customer relationships, 10-20 years for trademarks, and 8-14 years for technology know-how. Estimated useful lives and the amortization method are reviewed at least at each fiscal year end. Any changes in the useful life and amortization method are accounted for prospectively as a change in estimates.

Intangible assets with indefinite useful lives are not amortized. They are tested for impairment annually or whenever there is an indication that the asset may be impaired or circumstances change.

Expenditures on development activities are recognized as intangible assets only if they meet all of the following requirements:

- (a) technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) the Company's intention to complete the intangible asset and use or sell it;
- (c) the Company's ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial, and other resources to complete development and to use or sell the intangible asset; and
- (f) the Company's ability to measure reliably the expenditures attributable to the intangible asset during its development.

Expenditures on development activities that do not meet the above conditions are expensed as incurred.

Leases

(1) As lessee

The Company recognizes a right-of-use asset and a lease liability at the commencement date of lease contract.

As for short-term leases (with a lease term of 12 months or less) and leases of low-value assets, the Company does not recognize a right-of-use asset and a lease liability. Instead, the Company elects to recognize related expenses in profit or loss by using the straight-line method over the lease term.

The Company applies a cost model and measures the right-of-use asset at cost, less any accumulated depreciation and any accumulated impairment losses, and the amounts are included in property, plant, and equipment in the consolidated statement of financial position. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset. The Company depreciates the right-of-use assets using the straight-line method from the commencement date to the shorter of the end of lease term or the end of estimated useful life of the underlying asset.

The Company measures the lease liability at the present value of the lease payments that are not paid by discounting with the lessee's incremental borrowing rate at the commencement date. At the commencement date, the lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, the exercise price of a purchase option, and payments of penalties for terminating the lease term. After the commencement date, the Company recognizes a constant periodic rate of interest on the lease liability in profit or loss and measures the lease liability by reducing the carrying amount to reflect the lease payments made. Lease liabilities are included in other financial liabilities (current) and other financial liabilities (noncurrent) in the consolidated statement of financial position.

The lease term is determined as the noncancelable period of a lease together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

After the commencement date, the Company remeasures the lease liability by discounting the revised lease payments using a revised discount rate. Remeasurement takes place when there has been either a change in the lease term or a change in the Company's assessment of an option to purchase the underlying asset.

As a practical expedient, the Company elects, by class of underlying asset, not to separate nonlease components from lease components, and instead accounts for each lease component and any associated nonlease components as a single-lease component.

(2) As lessor

The Company classifies a lease as a finance lease if it transfers, substantially, all the risks and rewards of ownership of an underlying asset. All other leases are classified as operating leases.

The Company recognizes assets held under a finance lease and present them as a receivable at an amount equal to the net investment in the lease. The Company recognizes finance income over the lease term in the consolidated statement of profit or loss based on a pattern that reflects the contractual periodic rate of return on the lessor's net investment in the lease.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets other than inventories and deferred tax assets are assessed whether or not there is any indication of impairment at the level of individual asset or CGU to which the asset belongs at the end of each reporting period. If such an indication exists, a recoverable amount of the asset or CGU is estimated.

Goodwill, intangible assets with indefinite useful lives, and intangible assets that are not yet available for use are tested for impairment annually, regardless of whether there is any indication of impairment, or whenever there is an indication of impairment or circumstances change.

The recoverable amount of an individual asset or a CGU is the higher of the fair value, less costs of disposal and value in use. The fair value, less costs of disposal is calculated based on the quoted price in the active market, with the control premium estimated based on market transactions and other factors. In allocating the fair value to each CGU, the projected earnings before interest, taxes, depreciation, and amortization (EBITDA) composition by business is considered. Value in use is determined by discounting the estimated future cash flows expected to be derived from an individual asset or CGU to its present value, using a pretax discount rate that reflects the time value of money and risks specific to that individual asset or CGU.

A CGU is determined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the CGU to which the asset belongs is determined.

Since corporate assets do not generate separate cash inflows, if there are any indications of impairment, they are tested for impairment based on the recoverable amount of the CGU to which the corporate assets belong.

If the recoverable amount of the asset or CGU is less than its carrying amount, the carrying amount is reduced to the recoverable amount, and the difference between the recoverable amount and the carrying amount is recognized as an impairment loss in profit or loss. Impairment losses recognized in relation to the CGU are allocated first to reduce the carrying amount of goodwill allocated to such CGU, and then to each asset, pro-rated across the respective carrying amounts of each asset within that CGU.

Individual assets other than goodwill or CGUs for which impairment losses were recognized in prior periods are assessed to determine whether or not there is any indication that such impairment losses may no longer exist or may have decreased at the end of each reporting period. If such an indication exists, the recoverable amount of the asset or the CGU is estimated, and if the recoverable amount exceeds the carrying amount of the asset or CGU, the impairment loss is reversed. In such cases, the impairment loss is reversed up to the carrying amount of the asset or CGU, net of amortization or depreciation, as if there had been no impairment loss recognized for the asset or CGU in prior periods.

Insurance Contracts

(1) Classification and Level of Aggregation

Contracts under which the Company assumes significant insurance risks are classified as insurance contracts.

The Company recognizes portfolios consisting of multiple insurance contracts that are exposed to similar risks and are managed together, and aggregates as the group of insurance contracts by dividing each annual cohort into groups based on the profitability of the contracts.

(2) Recognition

Groups of insurance contracts issued by the Company are recognized from the earliest of the following:

- the beginning of the period for which insurance contract services are provided;
- the date when the first payment from a policyholder in the group becomes due, or if there is no contractual due date, the first payment from the policyholder is received; and
- for a group of onerous contracts, when the group becomes onerous.

(3) Measurement

The Company, on initial recognition, measures a group of insurance contracts at the total of the fulfillment cash flows and contractual service margin. The fulfillment cash flows are an explicit, unbiased, and probability-weighted estimate of the present value of the future cash outflows, minus the present value of the future cash inflows that will arise as the Company fulfills insurance contracts, including a risk adjustment for non-financial risk. Estimates of future cash flows include all the future cash flows within the boundary of each group of insurance contracts, and all reasonable and supportable information available without undue cost or effort about the amount, timing, and uncertainty of those future cash flows are utilized. In calculating the present value of future cash flows, the discount rates that reflect the time value of money, the characteristics of the cash flows, and the liquidity characteristics of the insurance contracts are used. The contractual service margin is the excess of the consideration charged for a group of insurance contracts over the risk-adjusted expected present value of the cash outflows expected to fulfill the group and the insurance earned cash flows incurred prior to the recognition of the group.

The carrying amount of a group of insurance contracts at the end of the reporting period is measured at the total of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage is composed of the fulfillment cash flows for future services allocated to the group and the contractual service margin that are estimated to reflect conditions as of the end of the reporting period. Changes in such liability are recognized in profit or loss as follows: reduction in the liability resulting from the insurance services provided during the reporting period as insurance revenue; and changes in the liability resulting from the effect of the time value of money and the effect of financial risks as insurance finance income or expenses. The liability for incurred claims is composed of the fulfillment cash flows related to past service allocated to the group at the end of the reporting period. Changes in such liability are recognized in profit or loss as follows: increase in the liability resulting from claims and expenses incurred during the reporting period, and any subsequent changes in fulfillment cash flows relating to incurred claims and expenses as insurance service expenses; changes in the liability resulting from the effect of the time value of money and the effect of financial risks as insurance finance income or expenses.

Cash flows arising from the costs of selling, underwriting, and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs are included in the measurement of the group of contracts on initial recognition as insurance acquisition cash flows. Insurance acquisition cash flows are allocated to each reporting period in a systematic way on the basis of the passage of time, and the same amount is recognized as insurance service expenses.

Insurance revenue, insurance service expenses and insurance finance income or expenses are included in "Revenue," "Cost of sales," and "Finance income" or "Finance costs," respectively, in the consolidated statement of profit or loss.

In addition, the Company applies the premium allocation approach to simplify the measurement of the liability for remaining coverage for certain group of insurance contracts since the coverage period of each contract in such group at the inception is one year or less. The carrying amount of the liability for remaining coverage at the end of reporting period is measured based on the premiums received, insurance acquisition cash flows and the amortization relating to such cash flows, and the insurance revenue recognized for services provided. For this group of insurance contracts, the carrying amount of the liability for remaining coverage is not adjusted to reflect the time value of money and the effect of financial risk since the Company expects, at initial recognition, that the time between providing each part of the services and the related premium due date is no more than a year.

Since this group does not cover customers of the Company, insurance revenue and insurance service expenses are included in "Other income" and "Other expenses," respectively, in the consolidated statement of profit or loss.

(4) Derecognition

Insurance contract is derecognized when a contract is extinguished or when a contract is modified in a way that would have significantly changed the accounting of a contract. When derecognized, the fulfillment cash flows are adjusted to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognized. The contractual service margin of the group is adjusted for the change in fulfillment cash flows, and the number of coverage units for expected remaining insurance contract services, which is the basis of the amount recognized in profit or loss for the reporting period is also adjusted to reflect the derecognition.

Provisions

Provisions are recognized when the Company has present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates can be made of the amount of obligations.

Provisions are measured based on the best estimate of expenditure required to settle the present obligation at the end of the reporting period. When the effect of the time value of money is material, a provision is measured at the present value of the expenditures required to settle the obligation.

Postemployment Benefits

The Company has defined benefit pension plans and defined contribution pension plans as postemployment benefits for employees.

(1) Defined benefit pension plans

The Parent Company and most subsidiaries mainly located in Japan have defined benefit corporate pension plans and/or lump-sum severance indemnity plans. The net defined benefit liability and asset in the consolidated statement of financial position is measured as the difference between the present value of the defined benefit obligation and the fair value of plan assets.

If the defined benefit pension plan has a surplus, the asset ceiling is the present value of any future economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

Defined benefit obligations are calculated using the projected unit credit method, and the present value is calculated by discounting future estimated cash outflows. The discount rate is determined based on market yields on high-quality corporate bonds as of the end of the reporting period, reflecting the estimated timing and amount of benefit payment.

Prior service costs resulting from plan amendments are recognized in profit or loss when the plan is amended.

Remeasurement of the net defined liability and asset is recognized in other comprehensive income when such remeasurement is made and transferred immediately to retained earnings.

(2) Defined contribution pension plans

The Parent Company and certain subsidiaries have defined contribution plans. Contributions to defined contribution plans for the period when employees render the related services are recognized as employee benefit expenses in profit or loss.

Revenue Recognition

(1) Revenue from contracts with customers

The Company recognizes revenue, excluding income from retail finance and finance leases, and insurance revenue, from contracts with customers based on the following five steps:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

The Company engages in various fields of businesses and industries by providing products and services as described in Note 1. REPORTING ENTITY.

The Company has determined that control over the products is transferred to customers and that the performance obligation is satisfied when the products are delivered to customers, considering indicators of the transfer of control, such as the transfer of significant risks and rewards of physical possession and ownership of products. Accordingly, revenue from sales of products is recognized at that point in time.

The Company has construction contracts with customers. The Company considers that its satisfaction of performance obligations under the contracts does not create an asset with an alternative use to the Company, the Company has an enforceable right to payment for performance completed to date, and it transfers the control over the assets to customers over time. Accordingly, revenue is recognized over the construction period based on its progress toward complete satisfaction of performance obligations measured at the end of the reporting period. Since the Company considers that it is possible to develop reasonable estimates of the total contract cost and to reasonably estimate the extent of progress toward complete satisfaction of performance obligations under the contracts, the Company uses the input method to measure the extent of progress toward completion based on the costs incurred relative to the total expected costs by contract.

Revenue is measured at the consideration promised in contracts with customers, less discounts, rebates depending on sales volume, and other items. Variable consideration, including discounts, rebates, and other payments, is estimated considering all the information (historical, current, and forecast) that is reasonably available to the Company, and revenue is recognized only to the extent that it is highly probable that a significant reversal of recognized revenue will not occur.

When two or more performance obligations are identified in the contract, the transaction price is primarily allocated to each of the performance obligations on a relative observable stand-alone selling price basis.

(2) Income from retail finance and finance leases

The Company provides retail finance and finance leases to end users who purchase the Company's products, such as farm equipment, etc., through dealers.

With regard to finance receivables arising from retail finance operations, interest income is recognized using the effective interest method over the contractual period and included in revenue in the consolidated statement of profit or loss.

(3) Insurance revenue

The Company provides insurance contract services.

The insurance revenue from the group of insurance contracts represents the total changes of the liability for the remaining coverage that relate to services for which the Company expects to receive consideration. Insurance revenue consists of the release of the contractual service margins measured based on coverage units provided during the reporting period, changes in the risk adjustment for non-financial risk relating to current services, insurance service expenses (measured at the amount expected at the beginning of the reporting period) incurred during the reporting period, and allocation of the insurance acquisition cash flows in a systematic way based on the passage of time. Insurance revenue is included in "Revenue" in the consolidated statement of profit or loss.

The Company applies the premium allocation approach for certain insurance contracts with a coverage period of one year or less at initial recognition. Insurance revenue from such group of insurance contracts is the amount of expected premium receipts allocated to each reporting period of the insurance contract services provided on the basis of the passage of time. Since this group does not cover customers of the Company, insurance revenue is included in "Other income" in the consolidated statement of profit or loss.

Income Taxes

Income taxes, which are composed of current taxes and deferred taxes, are recognized in profit or loss, except to the extent that they relate to business combinations or items recognized in other comprehensive income or directly in equity.

Current taxes are measured at the expected amount of income taxes payable to, or recoverable from, the tax authorities, using the tax rates and tax laws and regulations that have been enacted, or substantively enacted, by the end of the reporting period.

Deferred taxes are recognized based on temporary differences between the carrying amount of assets or liabilities in the consolidated statement of financial position and the tax bases of the assets or liabilities, and carryforwards of unused tax losses and tax credits.

Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available against the deductible temporary differences, unused tax losses, and unused tax credits. Deferred tax liabilities are recognized essentially for all taxable temporary differences.

However, deferred tax liabilities for taxable temporary differences related to investments in subsidiaries, associates, and joint ventures are not recognized if the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future. Deferred tax assets for deductible temporary differences related to investments in subsidiaries, associates, and joint ventures are recognized to the extent that it is probable that taxable profits will be available against which the temporary differences can be utilized, and the differences will reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the assets are realized or the liabilities are settled, based on the tax rates and tax laws and regulations that have been enacted, or substantively enacted, by the end of the reporting period.

The Company reviews the carrying amount of deferred tax assets at the end of the reporting period and does not recognize the deferred tax assets to the extent that it is no longer probable that taxable profits will be sufficient to allow the benefit of part or all of those deferred tax assets to be realized.

Deferred tax assets and deferred tax liabilities are offset only when the Company has a legally enforceable right to offset current tax assets against current liabilities, and the same taxation authority levies income taxes either on the same taxable entity or on different taxable entity, which intends either to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously.

The Company reflects the effect of uncertainty in determining the related taxable profit, etc., if the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment.

The Company has adopted the exceptions to the recognition and disclosure of deferred tax assets and deferred tax liabilities for income taxes arising from tax laws enacted, or substantively enacted, to implement the Pillar Two Model Rules released by the Organisation for Economic Co-operation and Development (OECD).

Earnings per Share

Basic earnings per share attributable to owners of the parent are calculated based on profit attributable to common shareholders of the parent by the weighted average number of issued common shares during the period. Diluted earnings per share attributable to owners of the parent are calculated by adjusting the effects of all dilutive potential common share.

New Accounting Standards and Interpretations Not Yet Adopted

The following table presents principal accounting standards and interpretations newly issued or amended prior to the approval date of the consolidated financial statements that are not yet adopted by the Company as of December 31, 2025.

Standards and interpretations	Effective date (from the fiscal year beginning on or after)	Scheduled adoption by the Company	Description of new or amended standards and interpretations
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	January 1, 2027	Year ending December 31, 2027	- More structured income statement - Disclosed and audited management performance measures - Greater disaggregation of information
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	January 1, 2027	Year ending December 31, 2027	Eligible subsidiaries are allowed to apply reduced disclosure requirements of IFRS Accounting Standards.

The Company is currently evaluating the impact of IFRS 18 on the consolidated financial statements and therefore is not able to estimate the impact.

The Company is expecting the impact of IFRS 19 on the consolidated financial statements to be not material.

4. SEGMENT INFORMATION

The Company provides a wide variety of products and services across its three reportable segments: Farm & Industrial Machinery, Water & Environment, and Other. Farm & Industrial Machinery manufactures and sells farm equipment, agricultural-related products, engines, and construction machinery. Water & Environment manufactures and sells products related to pipe systems (ductile iron pipes, plastic pipes, and other products), industrial products (reformer and cracking tubes, spiral welded steel pipes, air-conditioning equipment, and other products), and environment (environmental control plants, pumps, and other products). Other segment offers a variety of services.

These three reportable segments represent the Company's organizational structure, which is principally based on the nature of products and services, and the financial information by reportable segment is reviewed periodically by the chief operating decision-maker in determining allocation of resources and evaluating performance. The accounting policies for the reportable segments are consistent with the accounting policies used in the Company's consolidated financial statements.

Beginning with this period, in conformity with the change in the business reporting structure of the Company, certain corporate expenses and assets etc., that were formerly included in the "Adjustments" have been included in each reportable segment. To reflect this change in presentation, the comparative information has been retrospectively adjusted.

Information by Reportable Segment

Information by reportable segment is summarized as follows:

(Unit: millions of yen)

	Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Year ended December 31, 2025:					
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
Year ended December 31, 2024:					
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 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* amounted to ¥21,975 million and ¥32,987 million for the years ended December 31, 2025 and 2024, respectively, which consist mainly of administration department expenses, basic research expenses, and foreign exchange gains or losses incurred by the Parent Company. The corporate assets included in *Adjustments* amounted to ¥347,072 million and ¥327,715 million as of December 31, 2025 and 2024, respectively, which consist mainly of cash and cash equivalents, securities, and corporate properties held or used by the administration department of the Parent Company.
2. The aggregated amounts of operating profit are equal to those presented in the consolidated statement of profit or loss. 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.

Revenue from External Customers by Product Group

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

(Unit: millions of yen)

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

Geographic Information

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

(Unit: millions of yen)

Years ended December 31:	2025		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)

- 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.
- There were no sales to specific customers that exceeded 10% of consolidated revenue of the Company.

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

(Unit: millions of yen)

December 31:	2025		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)

- Noncurrent assets do not include financial instruments, deferred tax assets, and net defined benefit assets.
- 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. 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.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are composed of the following:

Cash and cash equivalents are categorized as financial assets measured at amortized cost.

(Unit: millions of yen)

December 31:		2025		2024
Cash and deposits	¥	219,374	¥	234,856
Short-term investments		57,585		60,274
Total	¥	276,959	¥	295,130

(Note)

The balance of cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flows is equal.

6. TRADE RECEIVABLES

Trade receivables are composed of the following:

Trade receivables are categorized as financial assets measured at amortized cost.

(Unit: millions of yen)

December 31:		2025		2024
Trade notes	¥	74,291	¥	74,849
Trade accounts receivable		933,154		916,176
Allowance for doubtful accounts		(5,762)		(5,797)
Total	¥	1,001,683	¥	985,228

7. FINANCE RECEIVABLES

Finance receivables are composed of the following:

Finance receivables are categorized as financial assets measured at amortized cost.

(Unit: millions of yen)

December 31:	2025		2024	
Retail finance receivables	¥	1,673,799	¥	1,691,596
Finance lease receivables		583,758		532,656
Allowance for doubtful accounts		(36,301)		(31,749)
Total	¥	2,221,256	¥	2,192,503
Current assets		645,082		643,757
Noncurrent assets		1,576,174		1,548,746

8. OTHER FINANCIAL ASSETS

Other financial assets are composed of the following:

(Unit: millions of yen)

December 31:	2025		2024	
Financial assets measured at amortized cost:				
Long-term trade accounts receivable	¥	37,545	¥	37,170
Time deposits		22,599		40,296
Restricted cash (Note)		12,245		6,019
Debt financial assets		70,684		61,750
Others		34,477		25,533
Financial assets measured at fair value through other comprehensive income:				
Equity financial assets		82,341		75,857
Financial assets measured at fair value through profit or loss:				
Debt financial assets		81,009		50,901
Derivatives		680		475
Total	¥	341,580	¥	298,001
Current assets		159,598		103,791
Noncurrent assets		181,982		194,210

(Note)

Restricted cash are deposits pledged as collateral that are restricted from withdrawal, advances received for public works that are restricted from usage, and the portion of the proceeds from the sale of Railway Equipment Business Division (hereinafter, "RED") of Escorts Kubota Limited (hereinafter, "EKL") held in an escrow account.

The Company holds equity financial assets mainly for the purpose of maintaining and enhancing business relationships and have been classified as equity financial assets measured at fair value through other comprehensive income. Fair value of equity financial assets measured at fair value through other comprehensive income by issue is as follows:

(Unit: millions of yen)

Issue	2025	2024
December 31:		
Osaka Gas Co., Ltd.	16,973	10,815
Sumitomo Mitsui Trust Group, Inc.	13,520	10,450
Sumitomo Mitsui Financial Group, Inc.	8,777	6,554
Toho Gas Co., Ltd.	6,712	6,119
Mitsubishi UFJ Financial Group, Inc.	6,023	4,460
Nihon Suido Consultants Co., Ltd.	5,818	3,309
XING Technology Inc.	4,476	2,922
MITSUBISHI ESTATE CO., LTD.	4,020	2,315
Hulic Co., Ltd.	3,429	2,740
AKTIO HOLDINGS Corporation	2,186	2,389
Others	¥ 10,407	¥ 23,784

The Company sold and derecognized certain equity financial assets measured at fair value through other comprehensive income, primarily as a result of review of its business relationships. Fair values as of derecognition date and the accumulated gains or losses before tax effect adjustments on their disposal are as follows:

(Unit: millions of yen)

Years ended December 31:	2025	2024
Fair value as of derecognition	¥ 12,675	¥ 33,355
Accumulated gains (losses)	12,237	20,762

9. INVENTORIES

Inventories are composed of the following:

(Unit: millions of yen)

December 31:	2025		2024	
Finished products	¥	398,021	¥	414,422
Spare parts		109,572		100,797
Work in process		70,981		69,906
Raw materials and supplies		110,319		107,151
Total	¥	688,893	¥	692,276

Inventories recognized as an expense for the years ended December 31, 2025 and 2024, were ¥1,909,323 million and ¥1,861,178 million, respectively. The write-downs of inventories recognized as an expense for the years ended December 31, 2025 and 2024, were ¥4,637 million and ¥4,980 million, respectively.

10. ASSETS HELD FOR SALE

Assets held for sale and liabilities directly associated with assets held for sale are composed of the following:

(Unit: millions of yen)

December 31:	2025		2024	
Assets held for sale:				
Trade receivables	¥	—	¥	2,591
Inventories		—		2,495
Property, plant, and equipment		—		2,644
Goodwill		—		13,949
Intangible assets		—		1,313
Others		—		432
Total	¥	—	¥	23,424
Liabilities directly associated with assets held for sale:				
Trade payables	¥	—	¥	1,288
Deferred tax liabilities		—		309
Others		—		422
Total	¥	—	¥	2,019

In the year ended December 31, 2024, the Company has decided to divest RED of EKL belonging to Farm & Industrial Machinery. Accordingly, assets belonging to RED and liabilities directly associated with such assets have been classified as held for sale. The divestment was completed on June 1, 2025, and the gain of ¥7,665 million on the transaction is included in other income in the consolidated statement of profit or loss.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in and Loans Receivable from Associates and Transactions with Associates

The following table presents trade receivables (trade notes and trade accounts receivable), loans receivable, investments, and deposits received related to transactions with associates:

(Unit: millions of yen)

December 31:		2025		2024
Trade receivables	¥	24,913	¥	19,886
Loans receivable		340		2,150
Investments		22,638		20,707
Deposits received		15,764		7,741

Aggregate revenue from associates was ¥61,823 million and ¥49,047 million for the years ended December 31, 2025 and 2024, respectively.

There are no associates that are individually material to the Company. The Company's share of profit of associates that are not individually material was ¥2,041 million and ¥1,264 million for the years ended December 31, 2025 and 2024, respectively.

Investments in and Loans Receivable from Joint Ventures and Transactions with Joint Ventures

The following table presents trade receivables (trade notes and trade accounts receivable), investments, and deposits received related to transactions with joint ventures:

(Unit: millions of yen)

December 31:		2025		2024
Trade receivables	¥	485	¥	476
Investments		32,015		30,957
Deposits received		7,198		6,674

Aggregate revenue from joint ventures was ¥5,086 million and ¥4,863 million for the years ended December 31, 2025 and 2024, respectively.

There are no joint ventures that are individually material to the Company. The Company's share of profit related to joint ventures that are not individually material was ¥700 million and ¥3,835 million for the years ended December 31, 2025 and 2024, respectively.

12. PROPERTY, PLANT, AND EQUIPMENT

Reconciliation

The following table presents reconciliation of acquisition cost, accumulated depreciation and accumulated impairment losses, and balances of the carrying amount of the Company's property, plant, and equipment:

Acquisition Costs

(Unit: millions of yen)

	Land	Buildings and structures	Machinery and equipment	Construction in progress	Total
January 1, 2024	¥ 145,128	¥ 604,200	¥ 767,091	¥ 56,277	¥ 1,572,696
Acquisition	3,498	28,336	27,929	158,902	218,665
Sales or disposal	(501)	(14,979)	(38,623)	(1,453)	(55,556)
Transfers to assets held for sale	(1,126)	(1,002)	(2,133)	(224)	(4,485)
Acquisition through business combination	—	3	14	—	17
Exchange rate differences on foreign currencies	5,148	20,702	31,044	3,958	60,852
Transfers between accounts	3,898	40,352	62,012	(106,262)	—
Others	—	(1,039)	(17)	(809)	(1,865)
December 31, 2024	¥ 156,045	¥ 676,573	¥ 847,317	¥ 110,389	¥ 1,790,324
Acquisition	3,472	50,843	22,267	116,021	192,603
Sales or disposal	(1,272)	(16,699)	(44,179)	(1,327)	(63,477)
Acquisition through business combination	39	17	10	—	66
Exchange rate differences on foreign currencies	773	10,571	13,046	(1,518)	22,872
Transfers between accounts	2,077	53,596	90,762	(146,435)	—
Others	(5)	189	1	(2,452)	(2,267)
December 31, 2025	¥ 161,129	¥ 775,090	¥ 929,224	¥ 74,678	¥ 1,940,121

Accumulated Depreciation and Accumulated Impairment Losses

(Unit: millions of yen)

	Land	Buildings and structures	Machinery and equipment	Construction in progress	Total
January 1, 2024	¥ 2,699	¥ 290,748	¥ 552,184	¥ 4	¥ 845,635
Depreciation	553	37,452	56,317	—	94,322
Impairment losses	—	70	364	—	434
Sales or disposal	(75)	(10,506)	(28,819)	—	(39,400)
Transfers to assets held for sale	—	(692)	(1,149)	—	(1,841)
Exchange rate differences on foreign currencies	68	7,898	21,321	—	29,287
Others	—	45	6	(4)	47
December 31, 2024	¥ 3,245	¥ 325,015	¥ 600,224	¥ —	¥ 928,484
Depreciation	508	41,186	62,034	—	103,728
Impairment losses	208	1,728	1,037	—	2,973
Sales or disposal	(29)	(14,157)	(35,115)	—	(49,301)
Exchange rate differences on foreign currencies	25	4,876	8,775	—	13,676
Others	—	25	154	—	179
December 31, 2025	¥ 3,957	¥ 358,673	¥ 637,109	¥ —	¥ 999,739

Balances of Carrying Amount

(Unit: millions of yen)

		Land	Buildings and structures	Machinery and equipment	Construction in progress	Total
January 1, 2024	¥	142,429	¥ 313,452	¥ 214,907	¥ 56,273	¥ 727,061
December 31, 2024	¥	152,800	¥ 351,558	¥ 247,093	¥ 110,389	¥ 861,840
December 31, 2025	¥	157,172	¥ 416,417	¥ 292,115	¥ 74,678	¥ 940,382

The depreciation expense for property, plant, and equipment is included in cost of sales as well as in selling, general, and administrative expenses in the consolidated statement of profit or loss. Impairment losses on property, plant, and equipment are included in other expenses in the consolidated statement of profit or loss.

13. GOODWILL AND INTANGIBLE ASSETS

The following table presents reconciliation of acquisition cost, accumulated amortization and accumulated impairment losses, and balances of carrying amount of the Company's goodwill and intangible assets:

Acquisition Costs

(Unit: millions of yen)

	Goodwill	Software	Intangible assets			Total
			Intangible assets recognized in business combination	Capitalized development costs	Other	
January 1, 2024	¥ 150,750	¥ 115,793	¥ 126,163	¥ 50,005	¥ 5,975	¥ 297,936
Acquisition	—	26,799	—	—	392	27,191
Internal development	—	1,474	—	4,630	1,441	7,545
Sales and disposal	—	(6,900)	—	(148)	(330)	(7,378)
Transfers to assets held for sale	(13,949)	(86)	(2,009)	(85)	(50)	(2,230)
Acquisition through business combination	2,309	1	—	—	—	1
Exchange rate differences on foreign currencies	11,885	4,145	10,735	513	502	15,895
Others	—	(116)	—	(1,130)	(311)	(1,557)
December 31, 2024	¥ 150,995	¥ 141,110	¥ 134,889	¥ 53,785	¥ 7,619	¥ 337,403
Acquisition	—	24,787	—	632	1,055	26,474
Internal development	—	571	—	5,571	—	6,142
Sales and disposal	—	(6,570)	—	(258)	(86)	(6,914)
Acquisition through business combination	172	6	—	—	—	6
Exchange rate differences on foreign currencies	(2,968)	1,354	(1,067)	969	759	2,015
Others	—	1,554	—	(7)	(159)	1,388
December 31, 2025	¥ 148,199	¥ 162,812	¥ 133,822	¥ 60,692	¥ 9,188	¥ 366,514

Accumulated Amortization and Accumulated Impairment Losses

(Unit: millions of yen)

	Intangible assets						Total
	Goodwill	Software	Intangible assets recognized in business combination	Capitalized development costs	Other		
January 1, 2024	¥ 5,035	¥ 40,296	¥ 35,945	¥ 30,204	¥ 4,491	¥ 110,936	
Amortization	—	12,864	7,239	4,741	451	25,295	
Impairment losses	2,309	10	—	—	—	10	
Sales and disposal	—	(6,672)	—	(142)	(325)	(7,139)	
Transfers to assets held for sale	—	(62)	(781)	(74)	—	(917)	
Exchange rate differences on foreign currencies	326	1,382	3,169	401	181	5,133	
Others	—	(17)	—	1,136	(897)	222	
December 31, 2024	¥ 7,670	¥ 47,801	¥ 45,572	¥ 36,266	¥ 3,901	¥ 133,540	
Amortization	—	16,432	6,363	4,214	415	27,424	
Impairment losses	22	142	—	165	6	313	
Sales and disposal	—	(6,478)	—	(258)	(67)	(6,803)	
Exchange rate differences on foreign currencies	467	1,262	2,140	782	35	4,219	
Others	172	(134)	—	9	(130)	(255)	
December 31, 2025	¥ 8,331	¥ 59,025	¥ 54,075	¥ 41,178	¥ 4,160	¥ 158,438	

Balances of Carrying Amount

(Unit: millions of yen)

	Intangible assets						Total
	Goodwill	Software	Intangible assets recognized in business combination	Capitalized development costs	Other		
January 1, 2024	¥ 145,715	¥ 75,497	¥ 90,218	¥ 19,801	¥ 1,484	¥ 187,000	
December 31, 2024	¥ 143,325	¥ 93,309	¥ 89,317	¥ 17,519	¥ 3,718	¥ 203,863	
December 31, 2025	¥ 139,868	¥ 103,787	¥ 79,747	¥ 19,514	¥ 5,028	¥ 208,076	

Intangible assets acquired through business combination include customer relationships, trademarks, and technology know-how.

The amortization expense for intangible assets is included in cost of sales as well as in selling, general, and administrative expenses in the consolidated statement of profit or loss.

Acquisition through business combination and *Others* in the preceding tables include intangible assets with indefinite useful lives. Intangible assets with indefinite useful lives included in *Acquisition through business combination* are the brand related to farm equipment and other trademarks recognized in connection with the business combination of EKL. Since the trademark will continue to exist as long as the business continues to operate, the Company has determined that the useful life is indefinite. The amount of intangible assets with indefinite useful lives in *Others* is not material.

The following table presents the expenditures relating to R&D that were expensed:

(Unit: millions of yen)

Years ended December 31:	2025	2024
Amounts incurred	¥ 110,277	¥ 111,763
Amounts transferred to capitalized development costs	(5,571)	(4,630)
Capitalized development costs amortized	4,214	4,741
Total	¥ 108,920	¥ 111,874

14. IMPAIRMENT OF NONFINANCIAL ASSETS

Cash-generating unit (CGU)

The Company identifies the smallest identifiable group of assets that generates largely independent cash inflows when calculating impairment losses.

Impairment losses

Impairment losses are included in “other expenses” in the consolidated statement of profit or loss. The breakdown of impairment losses by segment is described in *Note 4. SEGMENT INFORMATION, Information by Reportable Segment* section.

Impairment losses by asset category are composed of the following:

(Unit: millions of yen)

December 31:		2025		2024
Property, plant, and equipment				
Land	¥	208	¥	—
Buildings and structures		1,728		70
Machinery and equipment		1,037		364
Goodwill		22		—
Intangible assets				
Software		142		10
Other		171		—
Total	¥	3,308	¥	444

Each impairment loss recognized for the year ended December 31, 2024, was not material.

Major impairment losses recognized for the year ended December 31, 2025, are as below.

With respect to the precision equipment business of the Parent Company, which is part of the Farm & Industrial Machinery, the scope of assets attributable to the relevant CGU and the business plan were reviewed following the relocation of the business site. As a result, it was determined, as of December 31, 2025, that the recoverability of certain assets allocated to this business could not be expected. Consequently, the carrying amounts of buildings and structures and other assets were reduced to their recoverable amounts, resulting in the recognition of impairment loss of ¥1,150 million.

With respect to the pump business of the Parent Company, which is part of the Water & Environment, it was determined, as of December 31, 2025, that recoverability of certain assets allocated to this business could not be expected, following a review of business plan in light of factors including increased fixed costs, such as personnel expenses, and the status of securing orders expected to lead to future shipments. Consequently, the carrying amounts of machinery and equipment and other assets were reduced to their recoverable amounts, resulting in the recognition of an impairment loss of ¥1,010 million.

With respect to the European subsidiary of Kverneland AS, which manufactures and sells implements and is part of the Farm & Industrial Machinery, the impact of tariff measures by the United States and changes in the market environment, including such measures, led to a reduction in expected orders from the United States. Following a review of the business plan, it was determined, as of December 31, 2025, that the recoverability of certain assets used in the operations of the subsidiary could not be expected. Consequently, the carrying amounts of buildings and structures and other assets, were reduced to their recoverable amounts, resulting in the recognition of an impairment loss of ¥572 million. Furthermore, it was also determined that the recoverability of the goodwill allocated to the CGU to which the subsidiary belongs, as well as that of the revalued land allocated in the purchase price allocation, both of which were recognized at the time the Parent Company acquired Kverneland AS, could not be expected, resulting in the recognition of an impairment loss of ¥165 million yen.

The recoverable amount is measured at value in use. The value in use is calculated by discounting estimated future cash flows, derived from business plans approved by the management reflecting past performances and growth rates, to present value using a discount rate based on the pretax weighted average cost of capital (from 7.5% to 12.8%).

Goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives recognized in a business combination are allocated to the CGU or groups of CGUs that are expected to benefit from the synergies of the combination at the acquisition date.

The following table presents the carrying amount of goodwill allocated to CGUs:

(Unit: millions of yen)

December 31:			2025		2024
Farm & Industrial Machinery	India	¥	104,631	¥	110,576
	Europe		24,056		21,592
	North America		9,859		9,922
	Others		1,322		1,235
Total		¥	139,868	¥	143,325

The following table presents the carrying amount of intangible assets with indefinite useful lives allocated to CGUs:

(Unit: millions of yen)

December 31:			2025		2024
Farm & Industrial Machinery	India	¥	24,816	¥	26,226
Total		¥	24,816	¥	26,226

CGUs to which goodwill and intangible assets with indefinite useful lives are allocated are tested for impairment annually or whenever there is an indication of impairment.

Goodwill and intangible assets with indefinite useful lives for India were recognized in connection with the acquisition of EKL and are allocated to several CGUs of EKL. Goodwill and intangible assets with indefinite useful lives allocated to the CGU related to farm equipment were ¥104,631 million and ¥24,816 million, respectively. The recoverable amount used to test the impairment is measured at the fair value less costs of disposal. The fair value less costs of disposal is calculated based on the quoted price in the active market, with the control premium estimated based on market transactions and other factors. In allocating fair value to each CGU, the projected EBITDA composition by business was considered. The fair value hierarchy is classified as Level 3 since key unobservable inputs are included in measuring the fair value.

The fair value less costs of disposal is well above the carrying amount, and the Company has determined that reasonably possible changes in the control premium and the projected EBITDA composition used for impairment testing would not result in material impairment.

The recoverable amount used to test the impairment of goodwill for other CGUs to which goodwill is allocated is measured at the value in use. The value in use is calculated by discounting the estimated future cash flows to present value based on the management approved five-year business plan reflecting past performances. The estimated future cash flows for the periods over five years are calculated by using the market growth rate (from 0.0% to 3.0%), taking into consideration the long-term average growth rate in each country or market in which CGUs belong. The discount rate is based on the pretax weighted average cost of capital on each of CGUs (from 13.0% to 15.3%).

The value in use of each CGU is above its carrying amount, and the Company has determined that reasonably possible changes in the market growth rate and discount rate used for impairment testing would not result in material impairment.

15. LEASES

As Lessee

The Company leases certain office space, manufacturing equipment, and employee housing under the lease contracts.

The following table presents a reconciliation of the carrying amount of right-of-use assets as lessee:

The Company remeasures the lease liability when there is a change in the lease term and recognizes such amount as an adjustment to the right-of-use asset.

(Unit: millions of yen)

		Land	Buildings and structures	Machinery and equipment and others	Total
January 1, 2024	¥	5,127	¥ 46,644	¥ 11,141	¥ 62,912
Increase		989	26,252	6,768	34,009
Depreciation		(553)	(18,596)	(4,646)	(23,795)
Decrease		(13)	(2,883)	(568)	(3,464)
December 31, 2024	¥	5,550	¥ 51,417	¥ 12,695	¥ 69,662
Increase		817	40,315	4,863	45,995
Depreciation		(508)	(20,027)	(4,603)	(25,138)
Decrease		(18)	(1,682)	(873)	(2,573)
December 31, 2025	¥	5,841	¥ 70,023	¥ 12,082	¥ 87,946

The following table presents the amounts recognized in profit or loss:

(Unit: millions of yen)

Years ended December 31:	2025	2024
Interest expense related to lease liabilities	¥ 719	¥ 454
Expenses related to short-term leases	137	316
Expenses related to leases of low-value assets	4,038	4,108

Total cash outflows for leases were ¥28,632 million and ¥26,990 million for the years ended December 31, 2025 and 2024, respectively.

The Company enters into lease contracts based on judgments made by each affiliate. In cases where the lessee is able to exercise an extension option without the lessor's consent, it is considered that the lessee has an extension option. In case where the lessee is able to terminate its lease contract in the middle of the contract, it is considered that the lessee has a termination option. Each affiliate exercises these options as necessary.

The following table presents maturity analyses for lease liabilities as of December 31, 2025 and 2024:

(Unit: millions of yen)

December 31:	2025	2024
Within 1 year	¥ 24,587	¥ 23,479
Between 1 year and 5 years	49,186	39,978
Later than 5 years	13,895	2,979
Undiscounted lease liabilities	¥ 87,669	¥ 66,436
Less:		
Interest equivalent	(4,332)	(1,711)
Present value of lease liabilities	¥ 83,336	¥ 64,725

As Lessor

The Company leases its farm equipment and others to end users under finance leases.

Risks associated with the underlying assets are mitigated through regular monitoring and by accumulating information on sales in the secondhand market.

The following table presents finance income on the net investment in the lease:

(Unit: millions of yen)

Years ended December 31:		2025		2024
Finance income on the net investment in the lease	¥	48,902	¥	45,856

The following table presents maturity analyses for lease receivables:

(Unit: millions of yen)

Years ended December 31:		2025		2024
Within 1 year	¥	208,561	¥	189,369
Between 1 year and 2 years		162,136		152,478
Between 2 and 3 years		121,600		110,301
Between 3 and 4 years		90,254		82,650
Between 4 and 5 years		60,584		55,115
Later than 5 years		65,659		55,573
Undiscounted lease receivables	¥	708,794	¥	645,486
Less:				
Unearned finance income		(125,036)		(112,830)
Net investment in the lease	¥	583,758	¥	532,656

16. BONDS AND BORROWINGS

Bonds and Borrowings

Bonds and borrowings are composed of the following:

(Unit: millions of yen)

December 31:		2025		2024
Short-term borrowings (Note 1)	¥	342,787	¥	362,715
Bonds and long-term borrowings (Note 2)		1,899,292		1,915,362
Total	¥	2,242,079	¥	2,278,077
Current liabilities		860,439		903,143
Noncurrent liabilities		1,381,640		1,374,934

(Notes)

- Short-term borrowings consist of notes payable to banks and CP. The weighted average interest rate on short-term borrowings as of December 31, 2025, was 3.319%.
- Bonds and long-term borrowings include their current portions.

Bonds and long-term borrowings (including current portions) are composed of the following:

(Unit: millions of yen)

December 31:		2025		2024	Interest rate (%)	Maturity term
Bonds						
14 th Unsecured Bonds	¥	99,941	¥	99,901	0.300	Fiscal year 2027
15 th Unsecured Bonds		49,859		49,837	0.514	Fiscal year 2032
16 th Unsecured Bonds		69,917		69,882	0.479	Fiscal year 2028
17 th Unsecured Bonds		49,876		49,859	0.950	Fiscal year 2033
Due 2026 USD Unsecured Bonds		78,424		78,729	4.958	Fiscal year 2026
Due 2027 USD Unsecured Bonds		78,269		78,599	5.333	Fiscal year 2027
Due 2028 USD Unsecured Bonds		78,083		—	4.791	Fiscal year 2028
Long-term borrowings					3.899	Through fiscal year 2034
Secured		445,757		470,246		
Unsecured		949,166		1,018,309		
Total	¥	1,899,292	¥	1,915,362		
Current portion		517,652		540,428		

(Note)

Interest rates of bonds are that of coupon rates and the interest rate of long-term borrowings is that of the weighted average interest rate as of

December 31, 2025.

Bonds and borrowings are categorized as financial liabilities measured at amortized cost.

Long-term borrowings of certain subsidiaries include covenants of ¥215,924 million and ¥197,713 million for the years ended December 31, 2025 and 2024, respectively. In the event of a breach of such covenants, relevant contractual obligations may be accelerated at the lender's request.

The details of the principal covenants are as follows:

- The total equity in the statement of financial position of the relevant subsidiary as of the end of any fiscal year shall not be less than 75% of the total equity as of the end of the previous fiscal year.
- At no time shall the equity in the consolidated statement of financial position of the relevant subsidiary and its subsidiaries be less than 1 USD.
- The total equity in the statement of financial position of the relevant subsidiary as of the end of each fiscal year must be positive.

Relevant subsidiaries were in compliance with such covenants as of December 31, 2025.

Assets Pledged as Collateral

The following table presents assets pledged as collateral:

(Unit: millions of yen)

December 31:		2025		2024
Finance receivables (current) (Note 1)	¥	226,929	¥	222,629
Other financial assets (current) (Note 2)		5,232		4,477
Finance receivables (noncurrent) (Note 1)		344,000		374,332
Others		1,568		1,026
Total	¥	577,729	¥	602,464

(Notes)

1. Finance receivables (current) and finance receivables (noncurrent) are pledged in accordance with the terms of securitization transactions.
2. Other financial assets (current) represent restricted cash, which is pledged in accordance with the terms of borrowings.

Short-term and long-term bank loans are made under general agreements. Under the terms of these transaction agreements, the Company may be required by the banks to provide collateral or guarantees in the future. The banks also have the right to offset the deposit against all debts that are due or in default. Long-term contracts with lenders other than banks are also subject to the general provision that additional collateral must be provided at the lender's request.

17. TRADE PAYABLES

Trade payables are composed of the following:

Trade payables are categorized as financial liabilities measured at amortized cost.

(Unit: millions of yen)

December 31:		2025		2024
Trade notes payable	¥	123,243	¥	116,822
Trade accounts payable		173,132		157,921
Total	¥	296,375	¥	274,743

18. OTHER FINANCIAL LIABILITIES

Other financial liabilities are composed of the following:

(Unit: millions of yen)

December 31:	2025		2024	
Financial liabilities measured at amortized cost:				
Lease liabilities	¥	83,336	¥	64,725
Notes and accounts payable for capital expenditures		25,848		28,906
Deposits from Group financing		37,889		27,680
Others		23,294		23,503
Financial liabilities measured at fair value through profit or loss:				
Derivatives		8,539		10,140
Total	¥	178,906	¥	154,954
Current liabilities		109,945		105,653
Noncurrent liabilities		68,961		49,301

19. INSURANCE CONTRACTS

Insurance Contracts Applying the General Measurement Model

The following table presents changes in liabilities for the remaining coverage and liabilities for incurred claims:

(Unit: millions of yen)

Years ended December 31:	2025			2024		
	Liabilities for the remaining coverage	Liabilities for the incurred claims	Total	Liabilities for the remaining coverage	Liabilities for the incurred claims	Total
Balance as of the beginning of the year						
Insurance contract assets	—	—	—	—	—	—
Insurance contract liabilities	54,808	4,440	59,248	47,708	3,625	51,333
Balance as of the beginning of the year (Net)	¥ 54,808	¥ 4,440	¥ 59,248	¥ 47,708	¥ 3,625	¥ 51,333
Insurance revenue						
Insurance revenue	(36,750)	—	(36,750)	(35,094)	—	(35,094)
Insurance service expenses						
Incurred claims and other expenses	—	22,643	22,643	—	20,685	20,685
Amortization of insurance acquisition cash flows	6,943	—	6,943	6,625	—	6,625
Changes that relate to past service	—	(174)	(174)	—	(640)	(640)
Cash flows						
Premiums received	39,384	—	39,384	40,647	—	40,647
Insurance acquisition cash flows paid	(10,240)	—	(10,240)	(10,568)	—	(10,568)
Incurred claims and other expenses paid	—	(22,118)	(22,118)	—	(19,629)	(19,629)
Insurance finance (income) or expenses	2,586	34	2,620	49	(26)	23
Others	(258)	(9)	(267)	5,441	425	5,866
Balance as of the end of the year						
Insurance contract assets	—	—	—	—	—	—
Insurance contract liabilities	56,473	4,816	61,289	54,808	4,440	59,248
Balance as of the end of the year (Net)	¥ 56,473	¥ 4,816	¥ 61,289	¥ 54,808	¥ 4,440	¥ 59,248

The following table presents changes in the estimated present value of future cash flows, the risk adjustments for the non-financial risk, and the contractual service margin:

(Unit: millions of yen)

	Estimates of future cash flows	Risk adjustments for the non- financial risk	Contractual service margin	Total
January 1, 2024				
Insurance contract assets	—	—	—	—
Insurance contract liabilities	12,425	6,887	32,021	51,333
Balance as of January 1, 2024 (Net)	¥ 12,425	¥ 6,887	¥ 32,021	¥ 51,333
Changes that relate to future service				
Change in estimate resulting in adjustment to the contractual service margin	(11,663)	1,850	9,813	—
Changes that relate to current service				
Contractual service margin recognized in profit or loss due to the transfer of services	—	—	(7,363)	(7,363)
Change in the risk adjustment for non-financial risk that does not relate to current and past service	—	(1,529)	—	(1,529)
Experience adjustments	1,108	—	—	1,108
Changes that relate to past service	(292)	(348)	—	(640)
Cash flows				
Premiums received	40,647	—	—	40,647
Insurance acquisition cash flows paid	(10,568)	—	—	(10,568)
Incurred claims and other expenses paid	(19,629)	—	—	(19,629)
Insurance finance (income) or expenses	(143)	33	133	23
Others	1,379	778	3,709	5,866
December 31, 2024				
Insurance contract assets	—	—	—	—
Insurance contract liabilities	13,264	7,671	38,313	59,248
Balance as of December 31, 2024 (Net)	¥ 13,264	¥ 7,671	¥ 38,313	¥ 59,248
Changes that relate to future service				
Change in estimate resulting in adjustment to the contractual service margin	(9,042)	2,136	6,906	—
Changes that relate to current service				
Contractual service margin recognized in profit or loss due to the transfer of services	—	—	(7,800)	(7,800)
Change in the risk adjustment for non-financial risk that does not relate to current and past service	—	(1,398)	—	(1,398)
Experience adjustments	2,034	—	—	2,034
Changes that relate to past service	172	(346)	—	(174)
Cash flows				
Premiums received	39,384	—	—	39,384
Insurance acquisition cash flows paid	(10,240)	—	—	(10,240)
Incurred claims and other expenses paid	(22,118)	—	—	(22,118)
Insurance finance (income) or expenses	1,280	304	1,036	2,620
Others	(15)	(17)	(235)	(267)
December 31, 2025				
Insurance contract assets	—	—	—	—
Insurance contract liabilities	14,719	8,350	38,220	61,289
Balance as of December 31, 2025 (Net)	¥ 14,719	¥ 8,350	¥ 38,220	¥ 61,289

The following table presents the breakdown of insurance revenue:

(Unit: millions of yen)

Years ended December 31:	2025		2024	
Changes in the liability for remaining coverage				
Insurance service expenses expected at the beginning of the year	¥	20,210	¥	19,224
Adjustment for non-financial risk		1,797		1,882
Contractual service margin recognized in profit or loss due to the transfer of services		7,800		7,363
Allocation of the portion related to the recovery of insurance acquisition cash flows		6,943		6,625
Total	¥	36,750	¥	35,094

The following is an expected recognition period of the contractual service margin in profit or loss:

(Unit: millions of yen)

December 31:	Within 1 year	From 1 year to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Over 5 years	Total
2024	¥ 8,850	¥ 9,808	¥ 7,126	¥ 5,364	¥ 3,716	¥ 3,449	¥ 38,313
2025	¥ 9,058	¥ 9,861	¥ 6,841	¥ 5,160	¥ 3,593	¥ 3,707	¥ 38,220

The measurement of insurance contracts includes all future cash flows within the boundary and is estimated so that historical data on performance reflects current conditions. Loss ratios used to estimate future cash flows are based on the historical ratio of claims paid to premiums received.

In calculating the present value of future cash flows, the Company uses a discount rate calculated using a bottom-up approach, whereby a liquid risk-free yield curve is adjusted to reflect differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics of the insurance contract.

The confidence level technique is used to estimate risk adjustments for non-financial risk, which reflects the compensation the Company would require for bearing the non-financial risk arising from the uncertain amount and timing of cash flows. The confidence level used for the years ended December 31, 2025 and 2024, is 75%.

The coverage units used to calculate the release of contractual service margin are determined by considering the quantity of the benefits provided under the insurance contract and its expected coverage period. The Company calculates the coverage units based on the maximum allowable claim amounts expected for each fiscal year within the term of the insurance contract.

A summary of the risks associated with the Company's insurance contracts and their management status is as follows.

(1) Insurance Risk

Insurance contracts of the Company are reinsurance contracts under which the Company assumes significant insurance risk by providing indemnification for insurance claims paid for physical damages incurred in connection with the products of the Company owned by dealers and end-users in North America. The Company is exposed to insurance risk, that is, risk arising from the amount, timing, and uncertainty of insurance claims. The Company manages insurance risk by continuously monitoring new underwriting and claims, analyzing and forecasting income and expenses, and revising premium rates as necessary.

Insurance contracts of the Company are reinsurance contracts relating to a large number of dealers or small end users of the Company's products, and the Company is not in a situation where it is significantly concentrated in dealing with any one particular customer.

(2) Market Risk

In calculating the present value of the future cash flows, the Company uses discount rates resulting from adjusting a liquid risk-free yield curve to reflect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics of the insurance contracts. The Company has determined that reasonably possible changes in discounts rates would not result in a material impact.

(3) Liquidity Risk

The Company is exposed to liquidity risk that the Company may have difficulties in satisfying payment obligations.

The Company manages liquidity risk by maintaining adequate levels of share capital, retained earnings, cash and cash equivalents, and investment balances in accordance with legal or regulatory requirements, and by monitoring planned and actual cash flows.

The following is a maturity analyses for the remaining contractual undiscounted net cash flows. Amounts in parentheses indicate cash inflow.

(Unit: millions of yen)

December 31:	Within 1 year	From 1 year to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Over 5 years	Total
2024	¥ (12,947)	¥ (19,478)	¥ 20,970	¥ 13,639	¥ 8,662	¥ 8,439	¥ 19,285
2025	¥ (14,786)	¥ (17,341)	¥ 21,150	¥ 13,967	¥ 8,922	¥ 7,975	¥ 19,887

Insurance Contracts Applying the Premium Allocation Approach

The following table presents changes in liabilities for the remaining coverage and liabilities for incurred claims:

(Unit: millions of yen)

Years ended December 31:	2025			2024		
	Liabilities for the remaining coverage	Liabilities for the incurred claims	Total	Liabilities for the remaining coverage	Liabilities for the incurred claims	Total
Balance as of the beginning of the year						
Insurance contract assets	(2,974)	1,977	(997)	(3,053)	2,576	(477)
Insurance contract liabilities	721	1	722	—	—	—
Balance as of the beginning of the year (Net)	¥ (2,253)	¥ 1,978	¥ (275)	¥ (3,053)	¥ 2,576	¥ (477)
Insurance revenue	(16,608)	—	(16,608)	(19,098)	—	(19,098)
Insurance service expenses						
Incurred claims and other expenses	—	8,352	8,352	—	7,774	7,774
Amortization of insurance acquisition cash flows	696	—	696	706	—	706
Cash flows						
Premiums received	16,830	—	16,830	20,206	—	20,206
Insurance acquisition cash flows paid	(605)	—	(605)	(1,014)	—	(1,014)
Incurred claims and other expenses paid	—	(7,536)	(7,536)	—	(8,372)	(8,372)
Balance as of the end of the year						
Insurance contract assets	—	—	—	(2,974)	1,977	(997)
Insurance contract liabilities	(1,940)	2,794	854	721	1	722
Balance as of the end of the year (Net)	¥ (1,940)	¥ 2,794	¥ 854	¥ (2,253)	¥ 1,978	¥ (275)

In the consolidated statement of financial position, insurance contract assets are included in “Other current assets” and insurance contract liabilities are presented in current liabilities.

Insurance contracts measured using the premium allocation approach are reinsurance contracts issued by subsidiaries to third parties in connection with an insurance contract with third parties in which the Parent Company is the policyholder. Since such reinsurance contracts do not cover customers of the Company, related insurance revenue and insurance service expenses are included in “Other income” and “Other expenses,” respectively, in the consolidated statement of profit or loss, and approximately the same amounts are included in selling, general, and administrative expenses as premiums paid and claims received for the underlying insurance contracts.

20. PROVISIONS

The following table presents a reconciliation of provisions by items:

(Unit: millions of yen)

	Product warranty		Other provisions		Total
January 1, 2025	¥	76,162	¥	9,876	¥ 86,038
Additions		49,419		7,634	57,053
Utilized		(48,621)		(4,212)	(52,833)
Reversal		(1,503)		—	(1,503)
Others		(2,039)		(353)	(2,392)
December 31, 2025	¥	73,418	¥	12,945	¥ 86,363

The Company provides contractual product warranties under which it generally guarantees the performance of products sold according to a product specification which the Company and its customers have mutually agreed on. The cost of free repairs expected to be incurred in the future is recorded as a provision for product warranties. The provision for product warranties includes expenditures estimated based on historical costs of product warranties, as well as expenditures estimated individually for recalls and voluntary free repairs based on unit repair costs and the number of units to be repaired. The outflow of economic benefits is expected to occur generally within one year to five years.

Other provision includes provisions for loss on orders received and provisions for assets retirement obligation.

The following table presents the breakdown of provision by current and noncurrent categories:

(Unit: millions of yen)

December 31:	2025		2024	
Current liabilities	¥	83,133	¥	83,062
Noncurrent liabilities		3,230		2,976
Total	¥	86,363	¥	86,038

Provisions categorized as noncurrent liabilities are included in *Other noncurrent liabilities* in the consolidated statement of financial position.

21. EMPLOYEE BENEFITS

Postemployment Benefits

The Parent Company and the majority of subsidiaries, primarily in Japan, have defined benefit corporate pension plans or lump-sum severance indemnity plans covering the majority of their employees as defined benefit pension plans. Retirees of the Parent Company and certain subsidiaries have the option to receive benefits as a lump-sum payment or annuity payments from corporate pension funds. The benefits are calculated primarily based on accumulated *points* under the point-based benefits system. *Points* consist of *service period points* awarded based on years of service provided, *grade points* awarded based on grade of employees, and *performance points* awarded based on the annual performance evaluations.

Defined benefit corporate pension plans are run by corporate pension funds, a separate legal entity from the Parent Company, in compliance with laws and regulations. The board of corporate pension plans and the pension investment trustees are required by law to execute their duties in the best interest of participants in defined benefit pension plans, and are responsible for managing plan assets in accordance with predetermined policies.

In addition, the Parent Company and certain domestic subsidiaries employ defined contribution pension plans for most of their employees.

(1) Defined benefit liabilities or assets recognized in the consolidated statement of financial position

The following table presents net defined benefit liabilities and assets, and a status of defined benefit obligation and plan assets:

(Unit: millions of yen)

December 31:		2025		2024
Present value of defined benefit obligation	¥	175,781	¥	186,590
Fair value of plan assets		262,438		247,510
Effect of asset ceiling		83,299		59,697
Net defined benefit liabilities	¥	(3,358)	¥	(1,223)
Amount recognized in the consolidated statement of financial position:				
Other noncurrent assets	¥	47,389	¥	18,430
Retirement benefit liabilities		44,031		17,207
Net amount recognized in the consolidated statement of financial position	¥	(3,358)	¥	(1,223)

(2) Present value of defined benefit obligation

The following table presents a reconciliation of the present value of defined benefit obligation:

(Unit: millions of yen)

Years ended December 31:		2025		2024
Balance at the beginning of the year	¥	186,590	¥	191,690
Service costs		9,860		9,813
Interest costs		4,273		3,705
Past service costs		—		(1,133)
Remeasurement of defined benefit obligation:				
Actuarial gains and losses arising from changes in demographic assumptions		209		35
Actuarial gains and losses arising from changes in financial assumptions		(19,789)		(11,439)
Others		1,719		1,076
Benefits paid (lump-sum payment)		(2,241)		(2,643)
Benefits paid (annuity payment)		(5,693)		(5,986)
Exchange rate differences on foreign currencies		853		1,472
Balance at the end of the year	¥	175,781	¥	186,590

The weighted average duration of defined benefit obligation as of December 31, 2025 and 2024, was 18 years.

(3) Fair value of plan assets

The following table presents a reconciliation of the fair value of plan assets:

(Unit: millions of yen)

Years ended December 31:		2025		2024
Balance at the beginning of the year	¥	247,510	¥	234,573
Interest income		5,907		4,469
Return from remeasurement of plan assets		9,802		9,856
Employer contributions		5,377		4,740
Benefits paid (lump-sum payment)		(592)		(738)
Benefits paid (annuity payment)		(5,693)		(5,986)
Exchange rate differences on foreign currencies		127		596
Balance at the end of the year	¥	262,438	¥	247,510

The Company plans to make contributions of ¥6,400 million to the defined benefit corporate pension plan for the year ending December 31, 2026.

(4) Effect of asset ceiling

When the defined benefit pension plan is in surplus, the amount of defined benefit assets recognized in the consolidated statement of financial position is limited to the asset ceiling amount, which is the present value of any future economic benefits available in the form of refunds from the plan and reductions in the future contributions to the plan.

The following table presents a reconciliation of the effect of the asset ceiling:

(Unit: millions of yen)

Years ended December 31:		2025		2024
Balance at the beginning of the year	¥	59,697	¥	41,797
Interest income		1,570		750
Remeasurement of defined benefit pension plan:				
Changes in effect of asset ceiling		22,032		17,150
Balance at the end of the year	¥	83,299	¥	59,697

(5) Actuarial assumptions

The following table presents significant actuarial assumptions used for calculating the present value of defined benefit obligation:

December 31:	2025	2024
Discount rate	3.3%	2.5%

The rate of compensation increase is not used in the calculations of defined benefit obligation under the point-based benefits system.

(6) Breakdown of plan assets by item

The plan assets are composed of the following:

(Unit: millions of yen)

December 31, 2025:		Assets with quoted price in an active market		Assets with no quoted price in an active market		Total
Equity securities:						
Financial institutions (Japanese equity securities)	¥	27,849	¥	—	¥	27,849
Other industries (Japanese equity securities)		16,020		—		16,020
Pooled funds (Japanese equity securities)		—		20,382		20,382
Pooled funds (Foreign equity securities)		—		33,499		33,499
Debt securities:						
Pooled funds (Japanese debt securities)		—		56,010		56,010
Pooled funds (Foreign debt securities)		—		54,474		54,474
Cash and short-term investments		5,013		1,797		6,810
General accounts of insurance companies		—		29,195		29,195
Other assets (Note)		—		18,199		18,199
Total	¥	48,882	¥	213,556	¥	262,438

(Unit: millions of yen)

December 31, 2024:	Assets with quoted price in an active market		Assets with no quoted price in an active market		Total
Equity securities:					
Financial institutions (Japanese equity securities)	¥	20,084	¥	—	¥ 20,084
Other industries (Japanese equity securities)		17,198		—	17,198
Pooled funds (Japanese equity securities)		—		18,391	18,391
Pooled funds (Foreign equity securities)		—		38,905	38,905
Debt securities:					
Pooled funds (Japanese debt securities)		—		50,582	50,582
Pooled funds (Foreign debt securities)		—		48,252	48,252
Cash and short-term investments		621		2,590	3,211
General accounts of insurance companies		—		28,974	28,974
Other assets (Note)		—		21,913	21,913
Total	¥	37,903	¥	209,607	¥ 247,510

(Note)

Other assets include real estate fund and infrastructure fund.

The Company's investment policy for plan assets is to achieve the best possible investment results with acceptable risk in preparation for future pension payment requirements. In order to diversify potential risks, careful consideration is given to balancing the portfolio among industry sectors, companies, and geographies, taking into account interest rate sensitivity, dependence on economic growth, currency, and other factors that affect investment returns. The Company's target allocation is 35% for equity securities and foreign debt securities subject to foreign currency exchange rate risks and 65% for other investment vehicles, primarily Japanese debt securities, foreign debt securities not subject to foreign currency exchange rate risks, cash, short-term investments, and the general accounts of insurance companies.

A large portion of the plan assets is managed by trust banks and investment advisors. Those fund managers comply with the Company's plan asset management guidelines, which are established to achieve the optimized asset composition in terms of long-term overall plan asset management, and their performance is evaluated by specific benchmarks.

To measure the performance of the plan asset management, the Company establishes benchmark return rates for each individual investment, combines these individual benchmark rates based on the asset composition ratios within each asset category, and compares the combined rates with the corresponding actual return rates on each asset category.

(7) Sensitivity analysis of significant actuarial assumptions

The following table presents a sensitivity analysis of significant actuarial assumptions on defined benefit liabilities:

(Unit: millions of yen)

December 31:	2025		2024	
Discount rate (0.5% increase)	¥	7,810 (decrease)	¥	9,412 (decrease)
Discount rate (0.5% decrease)		8,655 (increase)		10,499 (increase)

Assumptions other than discount rate remain unchanged and due to interrelated changes in other actuarial assumptions, the sensitivity analysis do not necessarily accurately represent changes in defined benefit liabilities.

(8) Defined contribution pension plans

Costs recognized for defined contribution pension plans for the years ended December 31, 2025 and 2024, were ¥8,265 million and ¥8,618 million, respectively.

Employee Benefit Expenses

Employee benefit expenses included in the consolidated statement of profit or loss were ¥492,150 million and ¥479,156 million for the years ended December 31, 2025 and 2024, respectively.

Employee benefit expenses include expenses such as salaries, bonus, welfare, and postemployment benefits for employees. Compensation for the Directors is also included in employee benefit expenses (refer to Note 32. RELATED-PARTY TRANSACTIONS).

Employee benefit expenses are included in cost of sales and selling, general, and administrative expenses in the consolidated statement of profit or loss.

22. OTHER LIABILITIES

The following table presents the Company's other liabilities:

(Unit: millions of yen)

December 31:		2025		2024
Employment benefit obligation	¥	69,705	¥	65,711
Accrued expenses		67,068		63,254
Refund liabilities		104,692		115,484
Others		47,938		46,298
Total	¥	289,403	¥	290,747
Current liabilities		281,269		282,910
Noncurrent liabilities		8,134		7,837

23. EQUITY

Number of Shares Authorized to Be Issued and Number of Issued Shares

The total number of shares authorized to be issued was 1,874,700 thousand shares as of December 31, 2025 and 2024. All shares issued by the Company are common stock without par value and issued shares have been fully paid.

The following table presents a reconciliation of the number of issued shares:

(Unit: thousands of shares)

Years ended December 31:		2025		2024
Number of issued shares:				
Balance at the beginning of the year		1,150,897		1,176,667
Increase during the year		—		—
Decrease during the year (Note)		(12,180)		(25,770)
Balance at the end of the year		1,138,717		1,150,897

(Note)

The decreases in the years ended December 31, 2025 and 2024, were due to retirement of treasury shares.

Treasury shares included in the number of issued shares above are 1,652 thousand shares and 1,487 thousand shares as of December 31, 2025 and 2024, respectively. Treasury shares include 1,009 thousand shares and 1,123 thousand shares of Kubota Corporation held by the trust in connection with stock compensation plan as of December 31, 2025 and 2024, respectively, as well as 337 thousand shares held by affiliates (equivalent to equity interest of the Company) as of December 31, 2025 and 2024.

Share Premium and Retained Earnings

(1) Share premium

Share premium is composed of a surplus, which is derived from equity transactions but is not recorded as share capital, and it is mainly composed of capital reserve. The Act stipulates that no less than 50% of the paid-in amount or proceeds of issuance of shares should be incorporated in share capital and that the remaining should be appropriated as capital reserve within share premium. Capital reserve may be appropriated as share capital with the approval of the General Meeting of Shareholders.

(2) Retained earnings

Retained earnings are composed of legal reserves and other accumulated earnings. The Act stipulates that an amount equal to 10% of cash dividends from retained earnings should be appropriated as a capital reserve or a legal reserve until the aggregated amount of capital reserve and legal reserve equals 25% of share capital. The legal reserve may be used to compensate for deficits or may be reversed with the approval of the General Meeting of Shareholders.

Dividends

(1) Dividends paid

Year ended December 31, 2025

Resolution	Class of shares	Dividends (millions of yen) (Note)		Dividends per common share	Record date	Effective date
The Board of Directors on February 13, 2025	Common shares	¥	28,772	¥ 25.00	December 31, 2024	March 24, 2025
The Board of Directors on August 5, 2025	Common shares	¥	28,460	¥ 25.00	June 30, 2025	September 1, 2025

(Note)

The total amount of dividends based on the resolution of the Board of Directors on February 13, 2025, and August 5, 2025, includes dividends of ¥28 million and ¥25 million, respectively, for shares of Kubota Corporation held by the trust in connection with the stock compensation plan.

Year ended December 31, 2024

Resolution	Class of shares	Dividends (millions of yen) (Note)		Dividends per common share	Record date	Effective date
The Board of Directors on February 14, 2024	Common shares	¥	28,239	¥ 24.00	December 31, 2023	March 25, 2024
The Board of Directors on August 7, 2024	Common shares	¥	29,416	¥ 25.00	June 30, 2024	September 2, 2024

(Note)

The total amount of dividends based on the resolution of the Board of Directors on February 14, 2024, and August 7, 2024, includes dividends of ¥32 million and ¥28 million, respectively, for shares of Kubota Corporation held by the trust in connection with the stock compensation plan.

(2) Dividends with the record date in the year ended December 31, 2025, but the effective date in the following year

Resolution	Class of shares	Dividends (millions of yen) (Note)		Dividends per common share	Record date	Effective date
The Board of Directors on February 12, 2026	Common shares	¥	28,460	¥ 25.00	December 31, 2025	March 23, 2026

(Note)

The total amount of dividends includes dividends of ¥25 million for shares of Kubota Corporation held by the trust in connection with the stock compensation plan.

Other Components of Equity

The following table presents a reconciliation of other components of equity by item:

(Unit: millions of yen)

	Remeasurement of defined benefit pension plans	Net change in fair value of financial assets measured at fair value through other comprehensive income	Exchange rate differences on translating foreign operations	Total
January 1, 2024	¥ —	¥ 44,083	¥ 259,711	¥ 303,794
Total other comprehensive income, net of income tax	2,377	12,906	163,770	179,053
Transfer to retained earnings	(2,377)	(13,452)	—	(15,829)
Changes in ownership interests in subsidiaries	—	—	(81)	(81)
December 31, 2024	¥ —	¥ 43,537	¥ 423,400	¥ 466,937
Total other comprehensive income, net of income tax	5,055	9,845	20,605	35,505
Transfer to retained earnings	(5,072)	(8,518)	—	(13,590)
Changes in ownership interests in subsidiaries	17	(2)	(2)	13
December 31, 2025	¥ —	¥ 44,862	¥ 444,003	¥ 488,865

The following table presents the breakdown of total other comprehensive income, net of income tax, by item and related tax effects (including noncontrolling interests):

(Unit: millions of yen)

Years ended December 31:	2025			2024		
	Before tax	Tax effect	Net of tax	Before tax	Tax effect	Net of tax
Remeasurement of defined benefit pension plans:						
Increase (decrease) during the year	¥ 6,773	¥ (1,861)	¥ 4,912	¥ 3,274	¥ (893)	¥ 2,381
	6,773	(1,861)	4,912	3,274	(893)	2,381
Net change in fair value of financial assets measured at fair value through other comprehensive income:						
Increase (decrease) during the year	17,821	(7,814)	10,007	18,004	(5,151)	12,853
	17,821	(7,814)	10,007	18,004	(5,151)	12,853
Exchange rate differences on translating foreign operations:						
Increase (decrease) during the year	22,552	(1,557)	20,995	190,741	(4,807)	185,934
	22,552	(1,557)	20,995	190,741	(4,807)	185,934
Total	¥ 47,146	¥ (11,232)	¥ 35,914	¥ 212,019	¥ (10,851)	¥ 201,168

The following table presents the breakdown of total other comprehensive income, net of income tax, included in noncontrolling interests:

(Unit: millions of yen)

Years ended December 31:	2025	2024
Remeasurement of defined benefit pension plans	¥ (143)	¥ 4
Net change in fair value of financial assets measured at fair value through other comprehensive income	162	(53)
Exchange rate differences on translating foreign operations	390	22,164
Total	¥ 409	¥ 22,115

24. REVENUE

Disaggregation of Revenue

The following table presents the Company's revenue recognized from contracts with customers and other sources of revenue by product group and location.

(Unit: millions of yen)

Year ended December 31, 2025:	Japan	North America	Europe	Asia outside Japan	Other areas	Total
Farm equipment and engines	¥ 314,137	¥ 634,455	¥ 230,581	¥ 555,124	¥ 64,070	¥ 1,798,367
Construction machinery	37,479	405,830	115,203	49,182	17,617	625,311
Farm & Industrial Machinery	351,616	1,040,285	345,784	604,306	81,687	2,423,678
Pipe system	136,479	321	—	2,847	309	139,956
Industrial products	47,409	13,187	2,208	13,686	3,334	79,824
Environment	130,544	8,998	962	8,550	5,518	154,572
Water & Environment	314,432	22,506	3,170	25,083	9,161	374,352
Other	15,918	—	—	3	—	15,921
Revenue recognized from:						
Contracts with customers	681,966	1,062,791	348,954	629,392	90,848	2,813,951
Other sources of revenue	3,218	155,663	—	43,068	2,991	204,940
Total	¥ 685,184	¥ 1,218,454	¥ 348,954	¥ 672,460	¥ 93,839	¥ 3,018,891

(Unit: millions of yen)

Year ended December 31, 2024:	Japan	North America	Europe	Asia outside Japan	Other areas	Total
Farm equipment and engines	¥ 269,671	¥ 678,530	¥ 225,258	¥ 562,762	¥ 62,114	¥ 1,798,335
Construction machinery	39,358	429,855	104,718	50,619	23,056	647,606
Farm & Industrial Machinery	309,029	1,108,385	329,976	613,381	85,170	2,445,941
Pipe system	133,258	116	—	4,112	89	137,575
Industrial products	45,205	13,432	3,362	12,445	3,362	77,806
Environment	125,372	5,323	741	10,672	5,142	147,250
Water & Environment	303,835	18,871	4,103	27,229	8,593	362,631
Other	16,774	—	—	2	—	16,776
Revenue recognized from:						
Contracts with customers	629,638	1,127,256	334,079	640,612	93,763	2,825,348
Other sources of revenue	2,838	145,247	—	39,902	2,946	190,933
Total	¥ 632,476	¥ 1,272,503	¥ 334,079	¥ 680,514	¥ 96,709	¥ 3,016,281

Interest revenue calculated using effective interest method and insurance revenue, which are included in *revenue recognized from other sources of revenue*, amounted to ¥159,404 million and ¥36,750 million, respectively, in the year ended December 31, 2025, and ¥146,921 million and ¥35,094 million, respectively, in the year ended December 31, 2024.

The Company engages in various fields of business and industries by providing products and services, which are categorized primarily into the Farm & Industrial Machinery business and the Water & Environment business.

Performance obligations for each business are as follows:

(1) Farm & Industrial Machinery

In the Farm & Industrial Machinery business, the Company manufactures products such as farm equipment, agricultural-related products, engines, and construction machinery in Japan and various overseas regions and sells products to the corporate dealers and individual and corporate end users in these areas.

The Company recognizes revenue when its products are delivered to customers, determining that performance obligations are satisfied at that point. The Company does not adjust the consideration promised for financial factors by applying the practical expedient method since the consideration is received primarily within one year from the time the performance obligation is satisfied. Revenue is measured at the consideration agreed in the contract, net of discounts, rebates based on purchase volume, and other items. Amounts expected to be refunded to customers are recognized as refund liabilities.

There are no material contracts between the Company and customers pertaining to returns.

The Company provides product warranties to cover free replacement and/or repairs on malfunctions resulting from product defects that occur within a certain period after the sale. Warranties provide customers with assurances that products of the Company will function as intended according to the specifications agreed upon with customers. Therefore, the Company recognizes provisions for product warranties.

(2) Water & Environment

In the Water & Environment business, the Company manufactures and sells products related to pipe system, industrial products, and environment. The Company also engages in construction contracts of public facilities such as environment-related facilities and water supply facilities. The main customers are national and local governments and other public offices in Japan, as well as corporations in Japan and various overseas regions.

The Company recognizes revenue when its products are delivered to customers, determining that performance obligations are satisfied at that point. For construction contracts, revenue is recognized over a construction period since a performance obligation is satisfied in accordance with the progress of construction. The Company uses the input method, which is based on the costs incurred relative to the total expected costs of individual contracts, as the method to measure the extent of progress toward completion. The Company does not adjust the consideration promised for financial factors by applying the practical expedient method since the consideration is received primarily within one year from the time the performance obligation is satisfied. Revenue is measured at the consideration agreed in the contract, net of discounts, rebates based on purchase volume, and other items. Amounts expected to be refunded to customers are recognized as refund liabilities.

There are no material contracts between the Company and customers pertaining to returns.

The Company provides warranties for products and others to cover free replacement and/or repairs on defects found for a certain period after the sale. Warranties provide customers with assurances that products of the Company and others will function as intended according to the specifications agreed upon with customers. Therefore, the Company recognizes provisions for product warranties.

Contract Balances

Receivables are unconditional rights to receive considerations in exchange for the satisfaction of performance obligations. In addition to those presented as trade receivables in the consolidated statement of financial position, long-term trade account receivables are included in other financial assets (noncurrent).

Contract assets are the Company's rights to receive considerations, excluding receivables, in exchange for the satisfaction of a portion of the performance obligation that is measured based on the degree of completion as of the end of the reporting period for construction contracts in the Water & Environment business. Contract assets are reclassified into receivables at the time when the Company's right to consideration becomes an unconditional right to payment before its payment due date.

Contract liabilities include advances from customers.

The following table presents the significant changes in the balances of contract assets and contract liabilities:

(Unit: millions of yen)

Years ended December 31:	2025		2024	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Increase by revenue recognition	¥ 96,445	¥ —	¥ 88,183	¥ —
Decrease by transfer to receivables	(94,728)	—	(87,282)	—
Increase by receipt of cash	—	155,897	—	140,661
Decrease by recognition of revenue	—	(149,114)	—	(137,133)

Of the beginning balance of contract liabilities, revenue recognized during the reporting periods were ¥30,104 million and ¥22,620 million for the years ended December 31, 2025 and 2024, respectively.

Revenue recognized from performance obligations which had been satisfied or partially satisfied in the past were not material for the years ended December 31, 2025 and 2024.

Transaction Price Allocated to Remaining Performance Obligation

The aggregate amount of the transaction price allocated to the performance obligations that were unsatisfied or partially unsatisfied were ¥231,995 million and ¥191,229 million for the years ended December 31, 2025 and 2024, respectively. These performance obligations are primarily related to construction contracts in the Water & Environment business and are deemed to be recognized as revenue within approximately five years, in accordance with the progress of construction.

As the Company applies the practical expedient method, the above amounts do not include a transaction price for unsatisfied performance obligations with an initial expected contract period of one year or less.

There were no material amounts of consideration arising from contracts with customers that were not included in the transaction price.

25. OTHER INCOME AND OTHER EXPENSES

Other income and other expenses are composed of the following:

(Unit: millions of yen)

Years ended December 31:	2025	2024
Other income:		
Insurance revenue	¥ 16,608	¥ 19,098
Royalty income	962	990
Profit from disposal of property, plant, and equipment and intangible assets	4,453	1,613
Gain on sales of businesses	7,665	—
Others	1,807	1,770
Total	¥ 31,495	¥ 23,471
Other expenses:		
Foreign exchange losses	¥ (22,719)	¥ (23,093)
Insurance service expenses	(9,048)	(8,480)
Loss from disposal of property, plant, and equipment and intangible assets	(5,346)	(5,872)
Impairment loss of property, plant, and equipment and intangible assets	(3,308)	(444)
Others	(810)	(919)
Total	¥ (41,231)	¥ (38,808)

26. FINANCE INCOME AND FINANCE COSTS

Finance income and finance costs are composed of the following:

(Unit: millions of yen)

Years ended December 31:	2025	2024
Finance income:		
Interest income:		
Financial assets measured at amortized cost	¥ 17,942	¥ 20,316
Dividend income:		
Equity financial assets measured at fair value through other comprehensive income	2,314	2,542
Gain on securities:		
Financial assets measured at fair value through profit or loss	7,005	3,006
Others	1,724	441
Total	¥ 28,985	¥ 26,305
Finance costs:		
Interest expenses:		
Financial liabilities measured at amortized cost	¥ (4,775)	¥ (5,201)
Loss on securities:		
Financial assets measured at fair value through profit or loss	(4,544)	(961)
Others	(2,996)	(482)
Total	¥ (12,315)	¥ (6,644)

(Note)

"Gain (loss) on securities - Financial assets measured at fair value through profit or loss," which was previously included in "Others" has been presented separately from the year ended December 31, 2025, as the amount became material. To reflect this change in presentation, the comparative information has been retrospectively adjusted.

The amount related to equity financial assets derecognized during the reporting period that is included in *Dividend income* is immaterial.

27. INCOME TAXES

Income Tax Expenses

Income tax expenses are composed of the following:

(Unit: millions of yen)

Years ended December 31:	2025	2024
Current tax expenses:		
Tax expenses recognized for the current taxable income	¥ 73,239	¥ 92,546
Subtotal	73,239	92,546
Deferred tax expenses:		
Temporary differences originated and reversed	(4,540)	(11,385)
Changes in unrecognized deferred tax assets	(574)	(429)
Subtotal	(5,114)	(11,814)
Total	¥ 68,125	¥ 80,732

The Parent Company and domestic affiliates are subject to the Japanese corporate tax, an inhabitant tax, and business tax. The aggregated combined statutory income tax rates for the years ended December 31, 2025 and 2024, were both 30.6%. Subsidiaries located in foreign countries are subject to local taxes.

A reconciliation of the Japanese statutory tax rates and the average effective tax rates is as follows:

Years ended December 31:	2025	2024
Japanese statutory tax rates applied to profit before income taxes	30.6%	30.6%
Increase (decrease) in taxes resulting from:		
Changes in unrecognized deferred tax assets	0.3	0.5
Permanently nondeductible expenses	0.4	0.1
Tax effect on unremitted earnings of foreign affiliates	(0.4)	0.1
Extra tax deduction on expenses for R&D	(5.4)	(4.3)
Difference in statutory tax rates of foreign subsidiaries	(4.1)	(4.9)
Foreign withholding taxes	2.9	1.6
Other—net	(0.2)	0.4
Effective income tax rates applied to profit before income taxes	24.1%	24.1%

Deferred Tax Assets and Deferred Tax Liabilities

The significant components of deferred tax assets and liabilities are as follows:

(Unit: millions of yen)

December 31:	2025		2024	
Deferred tax assets:				
Allowance for doubtful accounts	¥	10,038	¥	8,683
Elimination of unrealized profit or loss included in assets		27,787		20,734
Financial assets measured at fair value through other comprehensive income		2,891		1,780
Write-downs of inventories; property, plant, and equipment; and intangible assets		6,603		2,733
Depreciation and amortization		12,587		12,054
Accrued bonuses		5,944		5,596
Retirement benefit liabilities		16,520		6,998
Refund liabilities		13,798		12,551
Accrued expenses		10,135		14,028
Provisions for product warranties		21,257		21,030
Deferred income		36,832		40,224
Tax loss and credit carryforwards		3,210		2,576
Other temporary differences		50,671		45,679
Gross deferred tax assets		218,273		194,666
Deferred tax liabilities:				
Financial assets measured at fair value through other comprehensive income		22,616		18,352
Unremitted earnings of foreign affiliates		53,949		54,298
Assets acquired through business combination		19,765		22,059
Depreciation and amortization		17,450		10,203
Other temporary differences		53,546		38,556
Gross deferred tax liabilities		167,326		143,468
Net deferred tax assets	¥	50,947	¥	51,198

Following the enactment of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 13 of 2025) by the National Diet of Japan on March 31, 2025, the "Defense Special Income Tax" will be imposed starting from fiscal years beginning on or after April 1, 2026. Accordingly, the statutory tax rates used in calculating deferred tax assets and deferred tax liabilities for the year ended December 31, 2025, have been revised from 30.6% for the year ended December 31, 2024, to 31.5% for temporary differences expected to be reversed on or after January 1, 2027. The decrease in the net amount of deferred tax assets and deferred tax liabilities and the increase in income tax expenses resulting from this change for the year ended December 31, 2025, are immaterial.

The following table presents a reconciliation of deferred tax assets-net:

(Unit: millions of yen)

Years ended December 31:		2025		2024
Balance as of the beginning of the year	¥	51,198	¥	40,438
Amounts recognized through profit or loss:				
Write-downs of inventories; property, plant, and equipment; and intangible assets		3,870		(20)
Elimination of unrealized profit or loss included in assets		7,053		(7,086)
Depreciation and amortization		(6,714)		3,392
Refund liabilities		1,247		3,319
Accrued expenses		(3,893)		1,578
Unremitted earnings of foreign affiliates		1,906		(5,003)
Provisions for product warranties		227		3,063
Deferred income		(3,392)		13,380
Assets acquired through business combination		2,153		411
Other		2,926		3,392
Subtotal		5,383		16,426
Amounts recognized through other comprehensive income:				
Net change in fair value of financial assets measured at fair value through other comprehensive income		(7,814)		(5,151)
Remeasurement of defined benefit pension plans		(1,861)		(893)
Other		(1,557)		(4,807)
Subtotal		(11,232)		(10,851)
Transfer to liabilities directly associated with assets held for sale		—		309
Other changes		5,598		4,876
Balance as of the end of the year	¥	50,947	¥	51,198

(Notes)

1. The difference between *Amounts recognized through profit or loss* above and deferred tax expenses is due to exchange rate fluctuations.
2. "*Write-downs of inventories; property, plant, and equipment; and intangible assets*" and "*Assets acquired through business combination*" previously included in "*Other*" column for amounts recognized through profit or loss are presented separately from the year ended December 31, 2025, due to increased materiality. To reflect this change in presentation, the comparative information has been retrospectively adjusted.

The following table presents deductible temporary differences, carryforward of unused tax losses, and carryforward of unused tax credit for which deferred tax assets are not recognized:

(Unit: millions of yen)

December 31:		2025		2024
Deductible temporary differences	¥	13,501	¥	14,078
Carryforward of unused tax losses		41,139		37,231
Carryforward of unused tax credit		—		—

Carryforward of unused tax losses for which deferred tax assets are not recognized will expire as follows:

(Unit: millions of yen)

December 31:		2025		2024
Within 1 year	¥	395	¥	327
Between 1 year and 5 years		1,124		1,332
Later than 5 years		11,799		10,103
Indefinite years		27,821		25,469
Total	¥	41,139	¥	37,231

The aggregate amounts of temporary differences relating to investments in associates for which deferred tax liabilities are not recognized were ¥93,699 million and ¥90,889 million as of December 31, 2025 and 2024, respectively. Deferred tax liabilities are not recognized since the Company may control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in foreseeable periods.

The Company reflects the effect of uncertainty in determining the related taxable profit, etc., if the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment. The amounts of such effect were not material as of December 31, 2025 and 2024.

Global Minimum Taxation

In Japan, where the Company is located, the “Act Partially Amending the Income Tax Act, etc.” (Act No. 3 of 2023), which introduces a global minimum taxation regime consistent with the Pillar Two Model Rules, was enacted on March 28, 2023. This Act has applied to the Company from the fiscal year beginning on January 1, 2025. In addition, certain countries where the Company conducts business activities have also enacted global minimum taxation regimes, and these regimes have applied to subsidiaries located in those countries from the current fiscal year; however, the impact on the Company’s current income tax expenses is not material.

28. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

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

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 issued as treasury shares.

Years ended December 31:	2025		2024	
	(Unit: millions of yen)			
Profit attributable to owners of the parent	¥	186,687	¥	230,437
	(Unit: thousands of shares)			
Weighted average number of common shares outstanding		1,142,228		1,166,129

Earnings per share attributable to owners of the parent - Diluted are not stated as Kubota Corporation did not have potentially dilutive common shares that were outstanding.

29. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

The following table presents the reconciliation of liabilities arising from financing activities:

(Unit: millions of yen)

	Short-term borrowings	Long-term borrowings (Note)	Bonds	Lease liabilities	Deposits from Group financing	Total
January 1, 2024	¥ 324,127	¥ 1,326,137	¥ 339,943	¥ 58,009	¥ 29,385	¥ 2,077,601
Changes arising from cash flows	(5,496)	65,520	75,505	(22,112)	(1,705)	111,712
Non-cash changes:	29,746	111,236	11,359	28,828	—	181,169
Exchange rate differences on foreign currencies	29,397	110,972	10,944	2,086	—	153,399
Others	349	264	415	26,742	—	27,770
December 31, 2024	¥ 348,377	¥ 1,502,893	¥ 426,807	¥ 64,725	¥ 27,680	¥ 2,370,482
Changes arising from cash flows	(20,161)	(105,071)	74,506	(23,738)	10,209	(64,255)
Non-cash changes:	4,741	6,931	3,056	42,349	—	57,077
Exchange rate differences on foreign currencies	4,644	7,345	2,502	181	—	14,672
Others	97	(414)	554	42,168	—	42,405
December 31, 2025	¥ 332,957	¥ 1,404,753	¥ 504,369	¥ 83,336	¥ 37,889	¥ 2,363,304

(Note)

Borrowings with a term of more than three months are classified as long-term borrowings.

Noncash Transaction

Noncash transaction is composed of the following:

(Unit: millions of yen)

Years ended December 31:	2025		2024	
Retirement of treasury shares	¥	19,564	¥	50,004
Acquisition of assets by means of a lease	¥	45,995	¥	34,009

Cash flow from sales of businesses

Year ended December 31, 2025

The principal breakdown of assets and liabilities at the time of divestment of EKL's RED, and the total amount of consideration received, are composed of the following:

(1) The principal breakdown of assets and liabilities

(Unit: millions of yen)

Current assets	¥	6,921
Noncurrent assets		17,185
Current liabilities		1,782
Noncurrent liabilities		367

(2) The total amount of consideration received

Consideration received	¥	29,622
Of the consideration received, the amount retained in an escrow account		(6,339)
Proceeds from sales of businesses		23,283

Year ended December 31, 2024

Not applicable.

30. FINANCIAL INSTRUMENTS

Capital Management

The Company considers equity attributable to owners of the parent to be equity capital.

The Company puts the highest priority on stable and sustainable enhancement of corporate value. In order to sustainably enhance corporate value, the basic capital policy of the Company is to fully utilize its capital to enhance profitability, to maintain sufficient level of capital to support future business expansion, and to further enhance shareholder returns.

Based on this basic policy, the Company determines the use of retained earnings, taking into consideration the maintenance of sound management and response to the future business environment, and the Company is committed to maintaining and improving stable dividends in terms of profit distribution.

Certain subsidiaries of the Company are subject to capital controls imposed by the laws or regulatory authorities of the countries in which they are located and maintain capital, and surplus balances above certain levels.

Credit Risk

The Company is exposed to the credit risk of its customers regarding its trade receivables, contract assets, long-term trade accounts receivable, and finance receivables in cases where customers become unable to satisfy their debt obligations.

With regard to trade receivables and contract assets, the Company determines the maximum credit limit of its customers individually, considering the customer's credit rating, details of transactions, and financial conditions, and monitors them on a regular basis to mitigate the credit risk. The Company obtains guarantee deposits, collaterals, and bank guarantees, if necessary. With regard to finance receivables and long-term trade accounts receivables, the Company conducts credit research on its customers by referring to information for internal use and external credit reporting services at the time of entering into contracts with them. After the commencement of transactions, the Company manages and monitors due dates and performs collection activities, including reminders through calls, emails, and letters; visits to customers; and repossessions of products sold or leased, depending on the number of days past due.

The carrying amount of these financial assets, net of impairment losses, stated in the consolidated statement of financial position is the Company's maximum exposures of credit risk on financial assets. These receivables arise from sales of the Company's products to multiple dealers and retail end users. Thus, there is no significant concentration of transactions with specific customers.

Furthermore, financial assets for the purpose of investing excess funds and derivatives used to mitigate foreign currency risk are exposed to issuer credit risk.

To prevent these credit risks, the Company raises funds primarily through bonds with low risk and conducts transactions only with financial institutions with high credit ratings.

(1) Measurement of credit risk on trade receivables, contract assets, and long-term trade accounts receivables

Long-term trade accounts receivables are generated primarily from direct sales to individual end users in the farm equipment market in Japan.

The Company always measures an allowance for doubtful accounts for trade receivables, contract assets, and long-term trade accounts receivable at an amount equal to the lifetime expected credit losses. The Company measures the expected credit losses on these financial assets in a group with similar risk characteristics considering historical credit loss experience, current conditions, and forecasts of future economic conditions. The Company also measures the expected credit losses on credit-impaired financial assets individually. The Company determines whether they are credit-impaired based on observable events, such as significant financial difficulty of the debtor, long-term past due, bankruptcy, or other financial reorganization of the debtor. Expected credit losses on contract assets are not material.

The following table presents balances of carrying amounts of trade receivables and long-term trade accounts receivables (before an allowance for doubtful accounts) by risk classification:

(Unit: millions of yen)

December 31:	Financial assets for which an allowance for doubtful accounts is always measured at an amount equal to the lifetime expected credit losses	Credit-impaired financial assets	Total
2024	¥ 1,023,824	¥ 4,685	¥ 1,028,509
2025	¥ 1,039,979	¥ 5,313	¥ 1,045,292

The following table presents reconciliation of an allowance for doubtful accounts for the above receivables:

(Unit: millions of yen)

		Financial assets for which an allowance for doubtful accounts is always measured at an amount equal to the lifetime expected credit losses		Credit-impaired financial assets		Total
January 1, 2024	¥	3,430	¥	2,210	¥	5,640
Remeasurement		(215)		844		629
Collection		(70)		—		(70)
Write-off		(17)		(30)		(47)
Others		(49)		188		139
December 31, 2024	¥	3,079	¥	3,212	¥	6,291
Remeasurement		605		772		1,377
Collection		(113)		—		(113)
Write-off		(36)		(993)		(1,029)
Others		(238)		(65)		(303)
December 31, 2025	¥	3,297	¥	2,926	¥	6,223

(2) Measurement of credit risk on lease receivables

The Company provides finance leases primarily in Thailand. These lease receivables relate to the Company's products, such as farm equipment, leased to individual and corporate end users. These lease receivables are recorded at the aggregate of minimum lease payments receivable, plus the estimated residual value of the leased property, less unearned finance income and an allowance for doubtful accounts.

An allowance for doubtful accounts for lease receivables of which credit risk has not increased significantly since initial recognition is recognized for the 12-month expected credit losses, and an allowance for doubtful accounts of which credit risk has increased significantly since initial recognition is recognized for lifetime expected credit losses. Lease receivables are grouped primarily by past due days, and if the credit risk as of the end of the reporting period has not increased significantly since initial recognition, the 12-month expected credit loss is measured by considering the historical credit loss experience, current conditions, and projected future economic conditions.

If the credit risk has increased significantly since initial recognition, the lifetime expected credit loss is measured by considering the historical credit loss experience, current conditions, projected future economic conditions, and the recoverable amount from repossession of products of the Company. The Company determines whether lease receivables are credit-impaired based on observable events, such as long-term past due and the debtor's bankruptcy, etc. The Company does not regard past due lease receivables as credit-impaired financial assets when the Company determines that the past due resulted from a temporary shortage in funds of the debtor, the risk of default is considered low, and the debtor has a strong capacity to meet its contractual cash flow obligation in the near term. The Company held ¥9,715 million and ¥6,458 million of its products as of December 31, 2025 and 2024, respectively, for credit enhancements on credit-impaired financial assets.

The following table presents balances of carrying amounts of lease receivables (before an allowance for doubtful accounts) by risk classification:

(Unit: millions of yen)

		Financial assets for which an allowance for doubtful accounts is measured at an amount equal to the lifetime expected credit losses		Financial assets for which credit risk has increased significantly since initial recognition but are not credit-impaired		Credit-impaired financial assets		Total
December 31:								
2024	¥	483,167	¥	32,533	¥	16,956	¥	532,656
2025	¥	515,587	¥	41,622	¥	26,549	¥	583,758

The following table presents an aging analysis of past due lease receivables:

(Unit: millions of yen)

December 31:	Within 30 days past due	From 31 to 60 days past due	From 61 to 90 days past due	Longer than 90 days past due	Total past due	Current	Total
2024	¥ 34,373	¥ 8,575	¥ 3,813	¥ 15,321	¥ 62,082	¥ 470,574	¥ 532,656
2025	¥ 40,909	¥ 9,833	¥ 4,766	¥ 21,823	¥ 77,331	¥ 506,427	¥ 583,758

The following table presents a reconciliation of the allowance for doubtful accounts for the above receivables:

(Unit: millions of yen)

	Financial assets for which an allowance for doubtful accounts is measured at an amount equal to the lifetime expected credit losses		Financial assets for which credit risk has increased significantly since initial recognition but are not credit-impaired		Credit-impaired financial assets	Total
	Financial assets for which an allowance for doubtful accounts is measured at an amount equal to 12-month expected credit losses					
January 1, 2024	¥	5,968	¥	4,630	¥ 8,947	¥ 19,545
Remeasurement		206		1,217	5,920	7,343
Collection		—		—	(442)	(442)
Write-off		(81)		(18)	(5,859)	(5,958)
Others		529		548	1,363	2,440
December 31, 2024	¥	6,622	¥	6,377	¥ 9,929	¥ 22,928
Remeasurement		17		544	9,967	10,528
Collection		—		—	(394)	(394)
Write-off		(387)		—	(6,400)	(6,787)
Others		898		488	872	2,256
December 31, 2025	¥	7,150	¥	7,407	¥ 13,974	¥ 28,531

(3) Measurement of credit risk of retail finance receivables

The Company provides retail finance to customers who purchase the Company's products, such as farm equipment, from dealers in North America particularly. Retail finance receivables arise from agreements between the Company and dealers concerning the supply of products to individual and corporate end users. These receivables are recorded at amortized cost, less any allowance for credit losses.

The Company measures an allowance for doubtful accounts for retail finance receivables at an amount equal to 12-month expected credit losses when the credit risk on these receivables has not significantly increased since initial recognition, and at an amount equal to life-time expected credit losses when the credit risk on these receivables has significantly increased since initial recognition. Retail finance receivables are grouped primarily by past due days, and when the credit risk at the end of the reporting period has not increased significantly since initial recognition, the 12-month expected credit loss is measured by considering the historical credit loss experience, current conditions, and projected future economic conditions.

When the credit risk has increased significantly since initial recognition, the Company measures the life-time expected credit loss, considering the historical credit loss experience, current conditions, projected future economic conditions, and recoverable amounts from repossession of products sold. Determination of whether receivables qualify as credit-impaired financial assets is based primarily on past due information, but other objective evidence such as debtor's bankruptcy are also considered. The Company's products held for credit enhancement on credit-impaired financial assets were ¥24 million and ¥2,950 million as of December 31, 2025 and 2024, respectively.

The following table presents balances of carrying amounts of retail finance receivables (before an allowance for doubtful accounts) by risk classification:

(Unit: millions of yen)

December 31:	Financial assets for which an allowance for doubtful accounts is measured at an amount equal to 12-month expected credit losses	Financial assets for which an allowance for doubtful accounts is measured at an amount equal to the lifetime expected credit losses		Credit-impaired financial assets	Total
		Financial assets for which credit risk has increased significantly since initial recognition but are not credit-impaired			
2024	¥ 1,682,418	¥ 3,427	¥ 5,751	¥ 1,691,596	
2025	¥ 1,667,780	¥ 3,844	¥ 2,175	¥ 1,673,799	

The following table presents an aging analysis of past due retail finance receivables:

(Unit: millions of yen)

December 31:	Within 30 days past due	From 31 to 60 days past due	From 61 to 90 days past due	Longer than 90 days past due	Total past due	Current	Total
2024	¥ 104,668	¥ 11,821	¥ 3,565	¥ 3,344	¥ 123,398	¥ 1,568,198	¥ 1,691,596
2025	¥ 98,268	¥ 14,082	¥ 3,668	¥ 1,929	¥ 117,947	¥ 1,555,852	¥ 1,673,799

The following table presents a reconciliation of an allowance for doubtful accounts for the above receivables:

(Unit: millions of yen)

	Financial assets for which an allowance for doubtful accounts is measured at an amount equal to 12-month expected credit losses	Financial assets for which an allowance for doubtful accounts is measured at an amount equal to the lifetime expected credit losses		Credit-impaired financial assets	Total
		Financial assets for which credit risk has increased significantly since initial recognition but are not credit-impaired			
January 1, 2024	¥ 4,418	¥ 79	¥ 602	¥ 5,099	
Remeasurement	3,250	46	7,295	10,591	
Write-off	(195)	(30)	(7,650)	(7,875)	
Other	585	11	410	1,006	
December 31, 2024	¥ 8,058	¥ 106	¥ 657	¥ 8,821	
Remeasurement	(1,776)	8	10,623	8,855	
Write-off	(293)	—	(8,668)	(8,961)	
Other	(462)	23	(506)	(945)	
December 31, 2025	¥ 5,527	¥ 137	¥ 2,106	¥ 7,770	

Liquidity Risk

The Company is exposed to liquidity risk that the Company may have difficulties in satisfying payment obligations. The Company manages liquidity risk by maintaining adequate funds and monitoring cash flow plans and actual results.

The following table presents financial liabilities by due date:

(Unit: millions of yen)

December 31, 2025:	Carrying amount	Contractual cash flows	Within 1 year	From 1 year to 5 years	More than 5 years
Trade payables	¥ 296,375	¥ 296,375	¥ 296,375	¥ —	¥ —
Other financial liabilities	170,367	174,786	105,715	55,176	13,895
Bonds and borrowings	2,242,079	2,384,519	917,474	1,279,453	187,592
Derivative liabilities	8,539	8,539	5,194	3,228	117

(Unit: millions of yen)

December 31, 2024:	Carrying amount	Contractual cash flows	Within 1 year	From 1 year to 5 years	More than 5 years
Trade payables	¥ 274,743	¥ 274,743	¥ 274,743	¥ —	¥ —
Other financial liabilities	144,814	146,642	97,287	46,376	2,979
Bonds and borrowings	2,278,077	2,422,255	958,664	1,289,130	174,461
Derivative liabilities	10,140	10,140	8,980	1,160	—

Market Risk

(1) Foreign currency exchange rate risks

The Company's exposure to foreign currency risk relates primarily to assets and liabilities denominated in foreign currencies associated with international operations. The Company enters into forward foreign exchange contracts, cross-currency swap contracts, and cross-currency interest rate swap contracts to mitigate its exposure to foreign currency exchange rate risk.

For financial instruments denominated in foreign currencies held by the Company as of each reporting date, if the Japanese yen appreciates by 1% against the currencies in the following table, impacts to profit before income taxes in the consolidated statement of profit or loss are stated in the table below.

The table below does not include impacts of translating financial instruments denominated in Japanese yen and assets, liabilities, income, and expenses of foreign operations into Japanese yen. In addition, currencies other than those stated in the following table are assumed to remain unchanged.

(Unit: millions of yen)

December 31:	2025	2024
US dollar	¥ (1,548)	¥ (689)
Euro	(608)	(257)
Thai baht	(149)	(112)
Chinese yuan	(130)	(107)

(2) Interest rate risk

The Company has both fixed and variable-rate debt obligations exposed primarily to interest rate risk. In order to hedge interest rate risk, the Company manages interest rate fluctuations through interest rate swap contracts and cross-currency interest rate swap contracts. Therefore, the exposure to interest rate risk is not material to the Company's cash flow.

(3) Market price volatility risk management

The Company holds equity and debt financial assets, mainly cross-holdings, exposed to market price volatility risk. Each individual share of cross-shareholdings is examined annually at the Board of Directors in order to verify appropriateness of holding these shares, taking into consideration the purpose of holding these shares, benefits associated, market price volatility risk, and other factors. If it is determined that holding the share is not appropriate, the Company gradually reduces the number of policy stock holdings, taking into consideration market conditions and other factors.

Derivative and Hedge Accounting

As stated in Note 3. MATERIAL ACCOUNTING POLICIES, Financial Instruments, (3) Derivatives and hedge accounting, the Company does not apply hedge accounting to derivatives.

Fair Value of Financial Instruments

(1) Financial instruments measured at fair value

The following table presents fair values of financial instruments measured at fair value:

(Unit: millions of yen)

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through other comprehensive income:				
Equity financial assets	¥ 72,983	¥ —	¥ 9,358	¥ 82,341
Financial assets measured at fair value through profit or loss:				
Debt financial assets	73,936	—	7,073	81,009
Derivatives:				
Foreign exchange contracts	—	13	—	13
Interest swap contracts	—	19	—	19
Cross-currency interest rate swap contracts	—	648	—	648
Total	¥ 146,919	¥ 680	¥ 16,431	¥ 164,030
Financial liabilities:				
Financial liabilities measured at fair value through profit or loss:				
Derivatives:				
Foreign exchange contracts	¥ —	¥ 554	¥ —	¥ 554
Interest swap contracts	—	261	—	261
Cross-currency interest rate swap contracts	—	7,724	—	7,724
Total	¥ —	¥ 8,539	¥ —	¥ 8,539

(Unit: millions of yen)

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through other comprehensive income:				
Equity financial assets	¥ 67,845	¥ —	¥ 8,012	¥ 75,857
Financial assets measured at fair value through profit or loss:				
Debt financial assets	41,822	—	9,079	50,901
Derivatives:				
Foreign exchange contracts	—	259	—	259
Interest swap contracts	—	41	—	41
Cross-currency interest rate swap contracts	—	175	—	175
Total	¥ 109,667	¥ 475	¥ 17,091	¥ 127,233
Financial liabilities:				
Financial liabilities measured at fair value through profit or loss:				
Derivatives:				
Foreign exchange contracts	¥ —	¥ 4,043	¥ —	¥ 4,043
Cross-currency interest rate swap contracts	—	6,097	—	6,097
Total	¥ —	¥ 10,140	¥ —	¥ 10,140

Debt financial assets and equity financial assets classified as Level 1 are measured at fair value using quoted prices for identical assets in active markets.

Derivatives are classified as Level 2 since they are measured at fair value using observable market inputs obtained from major international financial institutions.

Equity financial assets and debt financial assets classified as Level 3 are unlisted equity securities, which are measured by the comparable company comparison method, using the earnings before interest and tax (EBIT) ratio (from 5.4 to 19.3) as a multiple, and by other method. If the EBIT ratio increases (decreases), the fair value increases (decreases).

Transfers between levels are recognized at the end of the reporting periods when such transfers occur. There were no significant transfers of financial instruments between Level 1 and Level 2.

The following table presents the reconciliation of financial instruments classified in Level 3:

(Unit: millions of yen)

Years ended December 31:	2025	2024
Balance as of the beginning of the year	¥ 17,091	¥ 17,035
Gains or losses:		
Profit or loss (Note 1)	(2,175)	(1,037)
Other comprehensive income (Note 2)	(220)	1,022
Purchases	1,735	2,346
Sales	—	(62)
Transfers out of Level 3 (Note 3)	—	(1,422)
Others	—	(791)
Balance as of the end of the year	¥ 16,431	¥ 17,091

(Notes)

- Gains or losses are recognized as *finance income or finance costs* in the consolidated statement of profit or loss. Of the gains or losses recognized in profit or loss, the amount related to financial instruments held as of December 31, 2025 and 2024, were losses of ¥1,079 million and ¥1,037 million, respectively.
- Gains or losses are recognized as *net change in fair value of financial assets measured at fair value through other comprehensive income* in the consolidated statement of comprehensive income.
- Transfers out of Level 3 are due to the listing of the investee.

(2) Financial instruments measured at amortized cost

The following table summarizes the carrying amount and fair value of financial instruments measured at amortized cost:

(Unit: millions of yen)

December 31:	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Finance receivables:				
Retail finance receivables	¥ 1,666,029	¥ 1,575,175	¥ 1,682,775	¥ 1,561,848
Finance lease receivables	555,227	654,800	509,728	587,353
Long-term trade accounts receivables	64,582	66,522	64,318	67,365
Debt financial assets	70,684	71,336	61,750	62,031
Written put option liabilities over noncontrolling interests	4,354	4,354	3,866	3,866
Bonds and borrowings	2,242,079	2,206,281	2,278,077	2,242,051

The fair value of finance receivables, long-term trade accounts receivables, and bonds and borrowings are stated at the present value of future cash flows discounted by the current market interest rate and classified as Level 2. Long-term trade accounts receivables above include the current portion included in trade receivables in the consolidated statement of financial position.

The fair value of debt financial assets is measured using quoted prices for identical assets in active markets and classified as Level 1.

The fair value of written put option liabilities over noncontrolling interests is the present value of estimated future cash flows discounted using a discount rate that takes into account inherent risks and classified as Level 3.

The carrying amounts of cash and cash equivalents, trade receivables (excluding the current portion of long-term trade accounts receivables), other financial assets (excluding debt financial assets measured at fair value, equity financial assets, and derivatives), trade payables, and other financial liabilities (excluding lease liabilities, derivatives, and written put option liabilities over noncontrolling interests) approximate their fair values due to their short-term maturity.

Offsetting Financial Assets and Liabilities

The amount of financial assets and liabilities not offset but subject to enforceable master-netting agreements or similar agreements because they do not satisfy part or all of requirements for offsetting of financial assets and financial liabilities was not material.

31. MAJOR SUBSIDIARIES

Composition of the Group

(As of December 31, 2025)

Company name	Location	Principal business activities	Ownership percentage of voting rights (%) (Note 1)
Subsidiaries			
6 domestic farm equipment sales companies, including Hokkaido Kubota Corporation	Nishi-ku, Sapporo, JAPAN, etc.	Sales of farm equipment, etc.	80.6
KUBOTA Construction Machinery Japan Corporation	Naniwa-ku, Osaka, JAPAN	Sales of construction machinery, etc.	100.0
Kubota Credit Co., Ltd.	Naniwa-ku, Osaka, JAPAN	Retail financing for farm equipment and related products	(22.9) 77.8
Kubota Machinery Trading Co., Ltd.	Naniwa-ku, Osaka, JAPAN	Export and import of components for farm equipment, engines, and construction machinery	100.0
Kubota Engine Japan Corporation	Naniwa-ku, Osaka, JAPAN	Sales, service, and engineering of industrial engines	100.0
Kubota North America Corporation	Delaware, USA	Administration of North American Farm & Industrial Machinery business	100.0
KUBOTA TRACTOR CORPORATION	Texas, USA	Sales of tractors, outdoor power equipment, construction machinery, and implements	(100.0) 100.0
Kubota Credit Corporation, U.S.A.	Texas, USA	Retail financing for tractors, outdoor power equipment, construction machinery, and implements	(90.0) 100.0
Kubota Manufacturing of America Corporation	Georgia, USA	Manufacturing of tractors, outdoor power equipment, construction machinery, and implements	(100.0) 100.0
Kubota Engine America Corporation	Illinois, USA	Sales, engineering, and after-sales service of engines, engine parts, and engine accessories	(100.0) 100.0
Kubota Insurance Corporation	Hawaii, USA	Underwriting non-life insurance in the United States	(100.0) 100.0
Great Plains Manufacturing, Inc. and 16 subsidiaries	Kansas, USA	Manufacturing and sales of implements and construction machinery	(100.0) 100.0
Kubota Research & Development North America Corporation	Georgia, USA	Development of outdoor power equipment and implements	(100.0) 100.0
Kubota Canada Ltd.	Ontario, CANADA	Sales of tractors, outdoor power equipment, construction machinery, and implements	100.0
Kubota Holdings Europe B.V.	Noord-Holland, NETHERLANDS	Administration of European Farm & Industrial Machinery business	100.0
Kubota Europe S.A.S.	Val-d'Oise, FRANCE	Sales of construction machinery, tractors, outdoor power equipment, and engines	(100.0) 100.0
Kubota Farm Machinery Europe S.A.S.	Nord, FRANCE	Manufacturing of upland farming tractors	(100.0) 100.0
Kubota Baumaschinen GmbH	Rhineland-Palatinate, GERMANY	Manufacturing and sales of construction machinery	(100.0) 100.0
Kubota (Deutschland) GmbH	Hessen, GERMANY	Sales of tractors, outdoor power equipment, and engines	(100.0) 100.0
Kubota (U.K.) Ltd.	Oxfordshire, UNITED KINGDOM	Sales of construction machinery, tractors, outdoor power equipment, and engines	(100.0) 100.0
Kverneland AS and 34 subsidiaries	Rogaland, NORWAY	Manufacturing and sales of implements	(100.0) 100.0
Kubota Brabender Technologie GmbH and 2 subsidiaries	North Rhine-Westphalia, GERMANY	Manufacturing and sales of gravimetric feeders	(100.0) 100.0
SIAM KUBOTA Corporation Co., Ltd.	Pathumthani, THAILAND	Manufacturing and sales of tractors, combine harvesters, implements, and horizontal type diesel engines. Sales of construction machinery	60.0
Siam Kubota Leasing Co., Ltd.	Pathumthani, THAILAND	Retail financing for tractors and combine harvesters, etc.	(100.0) 100.0
KUBOTA Engine (Thailand) Co., Ltd.	Chachoengsao, THAILAND	Manufacturing of vertical type diesel engines	100.0

(As of December 31, 2025)

Company name	Location	Principal business activities	Ownership percentage of voting rights (%) (Note 1)
Escorts Kubota Ltd. and 6 subsidiaries (Note 3)	Haryana, INDIA	Manufacturing and sales of tractors, construction machinery, and other products	55.0
Kubota Agricultural Machinery (SUZHOU) Co., Ltd.	Jiangsu, CHINA	Manufacturing and sales of combine harvesters, rice transplanters, and tractors	(100.0) 100.0
Kubota Construction Machinery (Wuxi) Co., Ltd.	Jiangsu, CHINA	Manufacturing of construction machinery	(100.0) 100.0
Kubota China Financial Leasing Ltd.	Shanghai, CHINA	Finance leasing of construction machinery and farm equipment, and factoring service	(100.0) 100.0
Kubota Korea Co., Ltd.	Seoul, KOREA	Sales of tractors, combine harvesters, rice transplanters, construction machinery, and engines	100.0
Kubota Myanmar Co., Ltd.	Yangon, MYANMAR	Sales of combine harvesters and tractors	(20.0) 100.0
Kubota Australia Pty Ltd.	Victoria, AUSTRALIA	Sales of tractors, outdoor power equipment, construction machinery, and engines	100.0
Kubota ChemiX Co., Ltd.	Amagasaki-shi, Hyogo, JAPAN	Manufacturing and sales of plastic pipes and fittings	100.0
KUBOTA Environmental Engineering Corporation	Chuo-ku, Tokyo, JAPAN	Design, manufacturing, construction, repair, operation, and maintenance of various environmental equipment and plants	100.0
NIPPON PLASTIC INDUSTRY CO., LTD.	Komaki-shi, Aichi, JAPAN	Manufacturing and sales of plastic products	(67.0) 67.0
Kubota Construction Co., Ltd.	Naniwa-ku, Osaka, JAPAN	Design and construction of water and sewage, civil engineering	100.0
Kubota Air Conditioner Co., Ltd.	Chuo-ku, Tokyo, JAPAN	Manufacturing, sales, and maintenance of air conditioning equipment for industrial use	100.0
Kubota Materials Canada Corporation	Ontario, CANADA	Manufacturing and sales of cast steel products and TXAX products	100.0
Kubota Saudi Arabia Company, LLC	Ash Sharqiyah, SAUDI ARABIA	Manufacturing and sales of steel casting products, sales and maintenance of valves	100.0
KUBOTA LOGISTICS Corporation	Naniwa-ku, Osaka, JAPAN	Management of logistics and logistics information service related to transportation, storage, cargo handling, and distribution processing	100.0
Heiwa Kanzai CO., LTD. (Note 2)	Chuo-ku, Tokyo, JAPAN	Building maintenance, security guarding, and facility management	60.0
Kubota China Holdings Co., Ltd.	Shanghai, CHINA	Administration of subsidiaries in China	100.0
85 other companies			
Equity method affiliates			
7 domestic farm equipment sales companies, including Akita Kubota Corporation	Akita-shi, Akita, JAPAN, etc.	Sales of farm equipment, etc.	35.7
KMEW Co., Ltd.	Chuo-ku, Osaka, JAPAN	Manufacturing and sales of roofing, siding materials, and rain gutters	50.0
9 other companies			

(Notes)

- Figures in parentheses in *Ownership percentage of voting rights* column represent the indirect ownership included in the total.
- The Company transferred all of the shares it held in Heiwa Kanzai CO., LTD. to ALSOK CO., LTD on March 2, 2026.
- With respect to the resolution adopted on February 12, 2026, the Boards of Directors of the Company and Escorts Kubota Ltd. have decided to execute a capital increase for Escorts Kubota Finance Ltd., a subsidiary of Escorts Kubota Ltd., and, upon completion of this capital increase, the company is expected to become a specified subsidiary by the end of December 2027.

Subsidiaries with Material Noncontrolling Interests

The following are the condensed financial statements of subsidiaries with material noncontrolling interests:

Escorts Kubota Ltd. (India)

December 31:	2025	2024
Shareholding ratio of noncontrolling interests	45.0%	45.0%

(Unit: millions of yen)

December 31:	2025	2024
Current assets	¥ 180,402	¥ 143,201
Noncurrent assets	264,533	296,151
Current liabilities	50,822	44,488
Noncurrent liabilities	22,532	23,023
Equity	371,581	371,841
Cumulative amount of noncontrolling interests	124,198	115,204

(Unit: millions of yen)

Years ended December 31:	2025	2024
Revenue	¥ 196,565	¥ 172,348
Profit for the year	24,584	25,708
Comprehensive income for the year	34,511	43,105
Profit attributable to noncontrolling interests	16,784	7,815
Dividends paid to noncontrolling interests	2,430	1,642

(Note)

The condensed financial statements reflect the effect of the acquisition method of accounting. Noncontrolling interests are recognized at the proportion of the fair value of the identifiable assets and liabilities of the acquiree.

SIAM KUBOTA Corporation Co., Ltd. (Thailand)

December 31:	2025	2024
Shareholding ratio of noncontrolling interests	40.0%	40.0%

(Unit: millions of yen)

December 31:	2025	2024
Current assets	¥ 130,399	¥ 147,835
Noncurrent assets	43,266	65,193
Current liabilities	68,876	61,067
Noncurrent liabilities	6,328	4,712
Equity	98,461	147,249
Cumulative amount of noncontrolling interests	26,478	57,963

(Unit: millions of yen)

Years ended December 31:	2025	2024
Revenue	¥ 236,011	¥ 250,089
Profit for the year	43,288	33,499
Comprehensive income for the year	43,288	33,499
Profit attributable to noncontrolling interests	5,346	13,137
Dividends paid to noncontrolling interests	38,677	27,938

Siam Kubota Leasing Co., Ltd. (Thailand)

December 31:	2025	2024
Shareholding ratio of noncontrolling interests	40.0%	40.0%

(Unit: millions of yen)

December 31:	2025	2024
Current assets	¥ 104,608	¥ 93,816
Noncurrent assets	316,073	295,392
Current liabilities	80,597	95,787
Noncurrent liabilities	181,550	143,145
Equity	158,534	150,276
Cumulative amount of noncontrolling interests	71,189	61,515

(Unit: millions of yen)

Years ended December 31:	2025	2024
Revenue	¥ 41,183	¥ 38,066
Profit for the year	13,707	16,063
Comprehensive income for the year	13,707	16,063
Profit attributable to noncontrolling interests	5,483	6,425
Dividends paid to noncontrolling interests	6,372	3,097

32. RELATED-PARTY TRANSACTIONS

The aggregate compensation paid by the Parent Company for the year ended December 31, 2025, to the Directors, including the Outside Directors, was as follows:

(Unit: millions of yen)

Years ended December 31:	2025	2024
Basic remunerations and bonuses	¥ 661	¥ 726
Share-based payments	241	220
Total	¥ 902	¥ 946

33. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

Commitments for acquisition of property, plant, and equipment were ¥60,953 million and ¥78,275 million as of December 31, 2025 and 2024, respectively. Commitments for acquisition of intangible assets were ¥4,989 million and ¥2,665 million as of December 31, 2025 and 2024, respectively.

Commitments in the years ended December 31, 2025 and 2024, were primarily related to investments for BCP and the expansion of manufacturing capacity.

Guarantees

The Company is contingently liable as guarantor of the indebtedness of sales companies and business partners for their borrowings from financial institutions. These guarantees obligate the Company to make payments in the event of default by sales companies and business partners. The terms of these guarantees are from one year to five years. Guarantees and guarantee limits were ¥8,133 million and ¥8,464 million, respectively, as of December 31, 2025, and ¥5,588 million and ¥7,487 million, respectively, as of December 31, 2024. The likelihood of incurring these losses is negligible.

Legal Proceedings

Since May 2007, the Company has been subject to 71 asbestos-related lawsuits in Japan, which were filed against the Company, the Japanese government, and other asbestos-related companies.

Two of these lawsuits resulted in withdrawals, eight lawsuits consolidating 25 cases became final rejecting all claims against the Company, and a lawsuit consolidating six cases resulted in settlement.

38 lawsuits related to 192 construction workers who suffered from asbestos-related diseases are still ongoing, and the total claim for all the remaining lawsuits aggregated to ¥5,585 million. Of these ongoing lawsuits, five first instance judgments have been rendered in 13 lawsuits, and the Company was ordered to pay compensation damages of ¥2 million in one judgment while other four judgments were decided in favor of the Company. All lawsuits included in these five judgments are being heard on the second instance. The court in the second instance rendered a judgment to support the opinion of the first instance for lawsuits included in one of the four judgments that were decided in favor of the Company. This lawsuit has been appealed to a higher court.

The Company continues to review the status of lawsuits, including consultation with third-party legal counsel regarding the progress of lawsuits and the potential outcome. However, the Company believes that it is currently unable to predict the ultimate outcome of these lawsuits.

The Company does not have any cost-sharing arrangements with other potentially responsible parties, including the government, for all these lawsuits.

Matters Related to the Health Hazards of Asbestos

The Company's plant in Amagasaki, Hyogo Prefecture, Japan, previously produced asbestos-related products. The Company decided to make voluntary consolation payments in June 2005 and established a relief payment program in April 2006 as a voluntary consolation payment to patients of asbestos-related diseases near the plant. Regarding the current and former employees who suffered, and are suffering from, asbestos-related diseases, the Company provides nonobligatory compensation in accordance with the Company's internal policies.

In an effort to estimate future asbestos-related expenditures, the Company has considered all available data, including historical claim and payment data, the incidence rate of asbestos-related disease, and other public information related to asbestos-related disease. However, since the health hazards of asbestos tend to have a longer incubation period, reliable statistics to estimate the incidence rate of asbestos-related disease are not available to the Company. Furthermore, no final conclusions have been reached regarding the individual causes and incidence rates of asbestos-related health hazards at other asbestos-related companies in Japan. Hence, the Company believes there is no information to determine the range of the final possible outcome in the future. For these reasons, the Company believes it is not possible to reliably estimate the amount of its ultimate liability, and the Company does not accrue on this contingency.

The Japanese government established the Law for the Relief of Patients Suffering from Asbestos-Related Diseases (the "New Asbestos Law") in March 2006. The purpose of this law is to promptly provide relief to those suffering from asbestos-related diseases who are not eligible for relief under workers' compensation insurance. The Japanese government, local authorities, and business entities make contributions under this law. Contributions by business entities commenced from the year ended March 31, 2008, and these include special contributions by business entities, which operated a business closely to asbestos.

The Company accrues asbestos-related expenses when the Company receives claims on voluntary consolation payment, relief payment, compensation for current and former employees, and special contribution in accordance with the New Asbestos Law. The accrued balances for asbestos-related expenses are ¥233 million and ¥136 million as of December 31, 2025 and 2024, respectively. The asbestos-related expenses recognized for the 12 months ended December 31, 2025 and 2024, were ¥460 million and ¥643 million, respectively.

Other Contingent Liabilities

The Company has various outstanding tax matters with the tax authorities, primarily in India. The outstanding matters mostly relate to the interpretation and application of law. The Company is currently unable to predict the outcome of such matters due to the existence of multiple legal issues and various parties being involved.

34. SUBSEQUENT EVENTS

Not applicable.

35. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved on March 16, 2026, by Shingo Hanada, President and Representative Director, CEO of the Parent Company, and Hitoshi Sasaki, Managing Executive Officer, Chief Business Planning Officer (CBPO), General Manager of Corporate Planning & Control Headquarters of the Parent Company.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

NOTES TO READERS:

The following is an English translation of the Independent Auditor's Report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

March 16, 2026

To the Board of Directors of
Kubota Corporation:

Deloitte Touche Tohmatsu LLC
Osaka office

Designated Engagement Partner,
Certified Public Accountant:

Takashige Ikeda

Designated Engagement Partner,
Certified Public Accountant:

Yutaka Ito

Designated Engagement Partner,
Certified Public Accountant:

Akira Kimotsuki

<Audit of Consolidated Financial Statements>

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Kubota Corporation and its consolidated subsidiaries (the "Group") included in the Financial Section, namely, the consolidated statement of financial position as of December 31, 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from January 1, 2025 to December 31, 2025, and notes to consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") pursuant to the provisions of Article 312 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Assessment of the allowance for doubtful accounts on finance receivables at the finance subsidiaries
Key Audit Matter Description
<p>As described in Note 7 to the consolidated financial statements, the Group recorded ¥36,301 million of the allowance for doubtful accounts related to retail finance receivables of ¥1,673,799 million and finance lease receivables of ¥583,758 million (collectively, finance receivables) on the consolidated statement of financial position as of December 31, 2025. In addition, as described in Note 30 to the consolidated financial statements, the balance of financial receivables and allowance for doubtful accounts in the consolidated statement of financial position mainly consists of the balances of finance subsidiaries in North America and Thailand.</p> <p>The allowance for doubtful accounts for expected credit losses on finance receivables is measured based on basic information, such as the past due days of finance receivables and historical credit loss experience, the recoverable amount from repossession of products, and assumptions for forward-looking information of the economic conditions, after grouping finance receivables by the past due days and determining whether there is a significant increase in credit risk since initial recognition.</p> <p>If the management estimates for measuring the allowance for doubtful accounts, such as probability of default, loss given default, and assumptions for forward-looking information of the economic conditions, do not appropriately reflect the credit risk of the debtor, there is a risk that the allowance for doubtful accounts is not properly determined. Especially, as the assumptions for forward-looking information of the economic conditions need significant management's judgments due to their high complexity and subjectivity, the careful consideration of the reasonableness of the assumptions is required.</p> <p>As such, we identified management's estimates used in measuring the allowance for doubtful accounts on finance receivables at the finance subsidiaries as a key audit matter.</p>
How the Key Audit Matter Was Addressed in the Audit
<p>We provided audit instructions to auditors belonging to the same network firm ("component auditors"), received the report of the results of procedures including the following procedures, reviewed their working papers and evaluated whether sufficient appropriate audit evidence has been obtained, to evaluate the allowance for doubtful accounts on finance receivables in finance subsidiaries in North America and Thailand.</p> <p>(1) Internal control testing We evaluated the design and operating effectiveness of certain internal controls related to the allowance for doubtful accounts on finance receivables, which included the controls over the following:</p> <ul style="list-style-type: none">• Basic information used to estimate expected credit losses• Determining key assumptions used to estimate expected credit losses <p>(2) Assessment of the reasonableness of estimates in allowance for doubtful accounts on finance receivables We performed the following audit procedures for assessment of the reasonableness of estimates in allowance for doubtful accounts on finance receivables.</p> <ul style="list-style-type: none">• Evaluation of the compliance of the method to estimate the expected credit losses with the requirements of IFRS Accounting Standards• Evaluation of the appropriateness of finance receivables grouping policy and management's judgment on whether there is a significant increase in credit risk since initial recognition• With the assistance of the component auditor's credit specialists, evaluation of the reasonableness of the assumptions of future economic conditions used by management• Test of the accuracy and completeness of the finance receivables grouped by the past due days

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| <ul style="list-style-type: none">• Test of the accuracy of the past due days of finance receivables, the actual recoverable amounts including repossession of products used to calculate loss given default and the historical credit loss amounts used to calculate probability of default• Trend analysis of the outstanding finance receivables balance to the allowance for doubtful accounts by each group and retrospective review for the historical amounts of the allowance for doubtful accounts |
|--|

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRS Accounting Standards as issued by the IASB.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with IFRS Accounting Standards as issued by the IASB, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Audit of Internal Control>

Opinion

Pursuant to the second paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited management's report on internal control over financial reporting of Kubota Corporation as of December 31, 2025.

In our opinion, management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of Kubota Corporation as of December 31, 2025, is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Internal Control Audit section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for Report on Internal Control

Management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with assessment standards for internal control over financial reporting generally accepted in Japan. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing and verifying the design and operating effectiveness of internal control over financial reporting. There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibilities for the Internal Control Audit

Our objectives are to obtain reasonable assurance about whether management's report on internal control over financial reporting is free from material misstatement and to issue an auditor's report that includes our opinion.

As part of an audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in management's report on internal control. The procedures selected depend on the auditor's judgment, including the significance of effects on reliability of financial reporting.
- Examine representations on the scope, procedures and results of the assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.

- Plan and perform the internal control audit to obtain sufficient appropriate audit evidence regarding the results of the assessment of internal control over financial reporting. We are responsible for the direction, supervision and review of the internal control audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the internal control audit, result of the internal control audit, including any identified material weakness which should be disclosed and the result of remediation.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

<Fee-Related Information>

Fees for audit and other services for the year ended December 31, 2025, which were charged by us and our network firms to Kubota Corporation and its consolidated subsidiaries are disclosed in (3) Status of Audit of Corporate Governance, which is included in the Information on Kubota Corporation of the Annual Securities Report.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.

COVER

[Document Filed]	Confirmation Letter
[Applicable Law]	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed to]	Director, Kanto Local Finance Bureau
[Filing Date]	March 16, 2026
[Company Name]	Kabushiki Kaisha Kubota
[Company Name in English]	Kubota Corporation
[Title and Name of Representative]	Shingo Hanada, President and Representative Director, CEO
[Title and Name of CFO]	Hitoshi Sasaki, Managing Executive Officer, Chief Business Planning Officer (CBPO), General Manager of Corporate Planning & Control Headquarters
[Address of Head Office]	2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka, JAPAN (Note) Head Office is scheduled to relocate to the following address on May 1, 2026: 5-54, Ofuka-cho, Kita-ku, Osaka, JAPAN
[Place Where Available for Public Inspection]	Kubota Corporation, Tokyo Head Office (1-3, Kyobashi 2-chome, Chuo-ku, Tokyo, JAPAN) Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabuto-cho, Chuo-ku, Tokyo, JAPAN)

1. Matters Related to Adequacy of Statements Contained in the Annual Securities Report

Shingo Hanada, President and Representative Director, CEO, and Hitoshi Sasaki, Managing Executive Officer, Chief Business Planning Officer (CBPO), General Manager of Corporate Planning & Control Headquarters, confirmed that statements contained in the Annual Securities Report for the 136th fiscal year (from January 1, 2025 to December 31, 2025) were adequate under the Financial Instruments and Exchange Act of Japan.

2. Special Notes

Not applicable.

COVER

[Document Filed]	Internal Control Report
[Applicable Law]	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed to]	Director, Kanto Local Finance Bureau
[Filing Date]	March 16, 2026
[Company Name]	Kabushiki Kaisha Kubota
[Company Name in English]	Kubota Corporation
[Title and Name of Representative]	Shingo Hanada, President and Representative Director, CEO
[Title and Name of CFO]	Hitoshi Sasaki, Managing Executive Officer, Chief Business Planning Officer (CBPO), General Manager of Corporate Planning & Control Headquarters
[Address of Head Office]	2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka, JAPAN (Note) Head Office is scheduled to relocate to the following address on May 1, 2026: 5-54, Ofuka-cho, Kita-ku, Osaka, JAPAN
[Place Where Available for Public Inspection]	Kubota Corporation, Tokyo Head Office (1-3, Kyobashi 2-chome, Chuo-ku, Tokyo, JAPAN) Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabuto-cho, Chuo-ku, Tokyo, JAPAN)

(TRANSLATION)

Management's Report on Internal Control over Financial Reporting

NOTES TO READERS:

The following is an English translation of management's report on internal control over financial reporting filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

1. Matters Relating to the Basic Framework for Internal Control over Financial Reporting

Shingo Hanada, President and Representative Director, CEO, and Hitoshi Sasaki, Managing Executive Officer, Chief Business Planning Officer (CBPO), General Manager of Corporate Planning & Control Headquarters, are responsible for designing and operating effective internal control over financial reporting of Kubota Corporation and its subsidiaries (collectively, the "Company"), and have designed and operated internal control over financial reporting of the consolidated financial statements in accordance with the basic framework for internal control set forth in "the Standards and Practice Standards for Management Assessment and Audit of Internal Control Over Financial Reporting" published by the Business Accounting Council.

Internal control is designed to achieve its objectives to a reasonable extent through the effective function and combination of its basic elements. Therefore, there is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

2. Matters Relating to Scope of Assessment, the Assessment Date, and Assessment Procedures

The assessment of internal control over financial reporting was performed as of December 31, 2025, which is the end of this fiscal year. The assessment was performed in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In conducting this assessment, we evaluated internal controls, which may have a material effect on the entire financial reporting in a consolidation ("company-level controls") and based on the result of this assessment, we appropriately selected business processes to be tested. We analyzed these selected business processes, identified key controls that may have a material impact on the reliability of the Company's financial reporting, and assessed the design and operation of these key controls. These procedures have allowed us to evaluate the effectiveness of the Company's internal control.

We determined the required scope of assessment of internal control over financial reporting for Kubota Corporation, as well as its subsidiaries and affiliated companies, from the perspective of materiality that may affect the reliability of our financial reporting. This materiality that may affect the reliability of financial reporting is determined taking into account the materiality of quantitative and qualitative impacts and likelihood. We confirmed that we had reasonably determined the scope of assessment of internal controls over business processes in light of the results of assessment of company-level controls conducted for Kubota Corporation, as well as its subsidiaries and affiliated companies. We did not include those subsidiaries and affiliated companies, which do not have any quantitatively or qualitatively material impact on the consolidated financial statements in the scope of assessment of company-level controls.

Regarding the scope of assessment of internal control over business processes, because the Company is manufacturing companies primarily engaged in Farm & Industrial Machinery and Water & Environment businesses, we determined that revenue, accounts receivable, finance receivables and inventories are appropriate indicators of the scale of the Company's core manufacturing and sales functions. Taking into account that the assessment of company-level controls was favorable, we selected business units to be tested, and the business units whose combined revenues (after elimination of intercompany transfers) reached approximately two-thirds of total consolidated revenues for the prior fiscal year were selected as "significant business units."

At the selected significant business units, we included, in the scope of assessment the business processes that, through manufacturing and sales activities, give rise to significant amounts of revenue, accounts receivable, finance receivables, and inventories as accounts that materially to the Company's business objectives. Further, irrespective of the selected significant business units, we added to our scope of assessment certain business processes included in other business units, impairment of financial assets measured at amortized cost, impairment of nonfinancial assets, measurement of provisions for product warranties, measurement of insurance contracts, measurement of defined benefit obligations, taking into account their greater likelihood of material misstatements, their relation to significant accounts involving estimates and management's judgment, and their impact on the financial reporting.

3. Matters Related to the Results of the Assessment

As a result of the preceding assessment, we concluded that our internal control over financial reporting was effective as of December 31, 2025.

4. Supplementary Matters

Not applicable.

5. Special Information

Not applicable.