

Management overview and Business strategy

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1. **FY 2024 Financial Results / FY 2025 Financial Forecast**
2. **Strengthening the business foundation**
3. **Mid-term Growth Drivers**
4. **Toward the Final Year of the Mid-Term Plan**

1. FY 2024 Financial Results

[Decrease in sales and profit]

- Sales: European and North American markets slowed down and entered an adjustment phase
- Profit: Decreased due to lower sales

(Unit: billions of yen)	FY 2024	Changes	
		Amount	%
Revenue	3,016.3	-4.4	-0.1
Japan	632.5	-10.7	-1.7
Overseas	2,383.8	+6.2	+0.3
Operating profit	10.5% 315.6	-13.2	-4.0
Profit attributable to owners of the parent	7.6% 230.4	-8.0	-3.4
1USD (JPY)	152		

1. FY 2025 Financial Forecast

[Sales increase and decrease in profit]

- Expect sales increase, but profit declines due to a stronger yen assumption.
- Difficult to achieve 12% operating profit margin as our MTP target.

(Unit: billions of yen)	FY 2025 (Forecast)	Changes	
		Amount	%
Revenue	3,050.0	+33.7	+1.1
Japan	658.0	+25.5	+4.0
Overseas	2,392.0	+8.2	+0.3
Operating profit	9.2% 280.0	-35.6	-11.3
Profit attributable to owners of the parent	6.4% 196.0	-34.4	-14.9
1USD (JPY)	145		

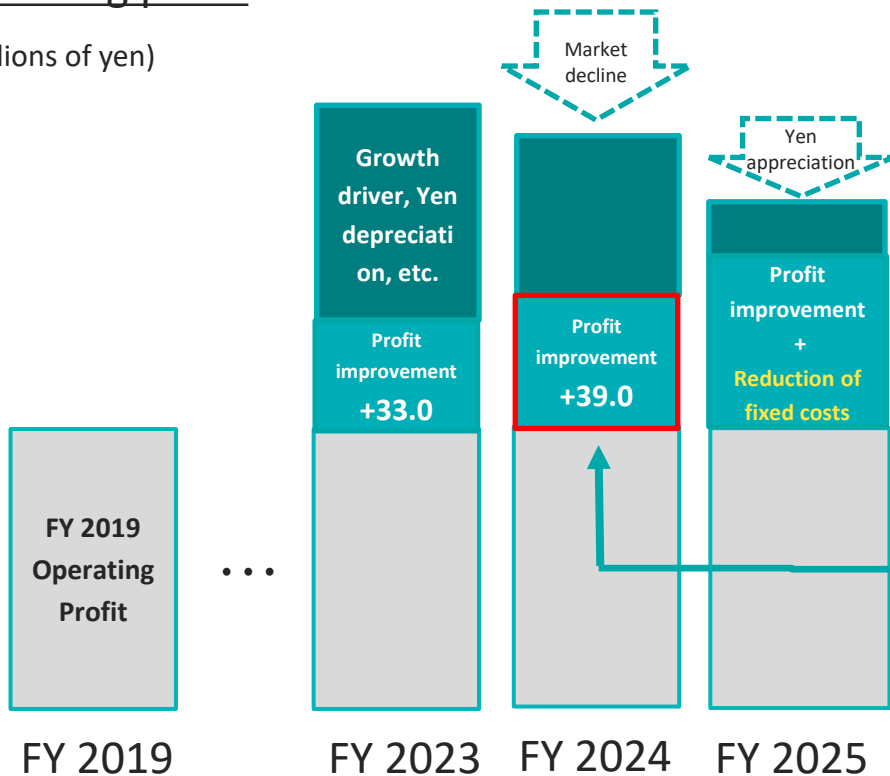
2. Enhancement of Company structure (Profit margin Improvement)

Margin Improvement (Mid-term Business Plan)

Curb the increasing fixed costs with our additional measure for 2025

Operating profit

(Billions of yen)



- Cumulative total from 2020
- ① Steady growth in profitable business (develop spare parts and O&M business) 12.0 Bln Yen
 - ② Kaizen in factory (cost reduction) 27.0 Bln Yen
 - ③ Kaizen in office (streamlining business operations) 1.0 Bln Yen

From 2020 to 2024 39.0 Bln Yen

2. Enhancement of Company structure (Production structure)

- Expand the business in compact category with leveraging Kubota's strengths
- Increase production capacity of MB and CTL in stages
- Selecting for an appropriate site in India for new basic tractor factory

Proceeding /
Planning



Direction of production capacity expansion



MB (+30% increase)

Japan: Investments in progress (Expected to be completed in 2026)

Germany: Onset of Investment



CTL (+30% increase)

Japan: Limited investment

US: Investments in progress



Basic tractor
(2x increase)

India: In selecting factory site

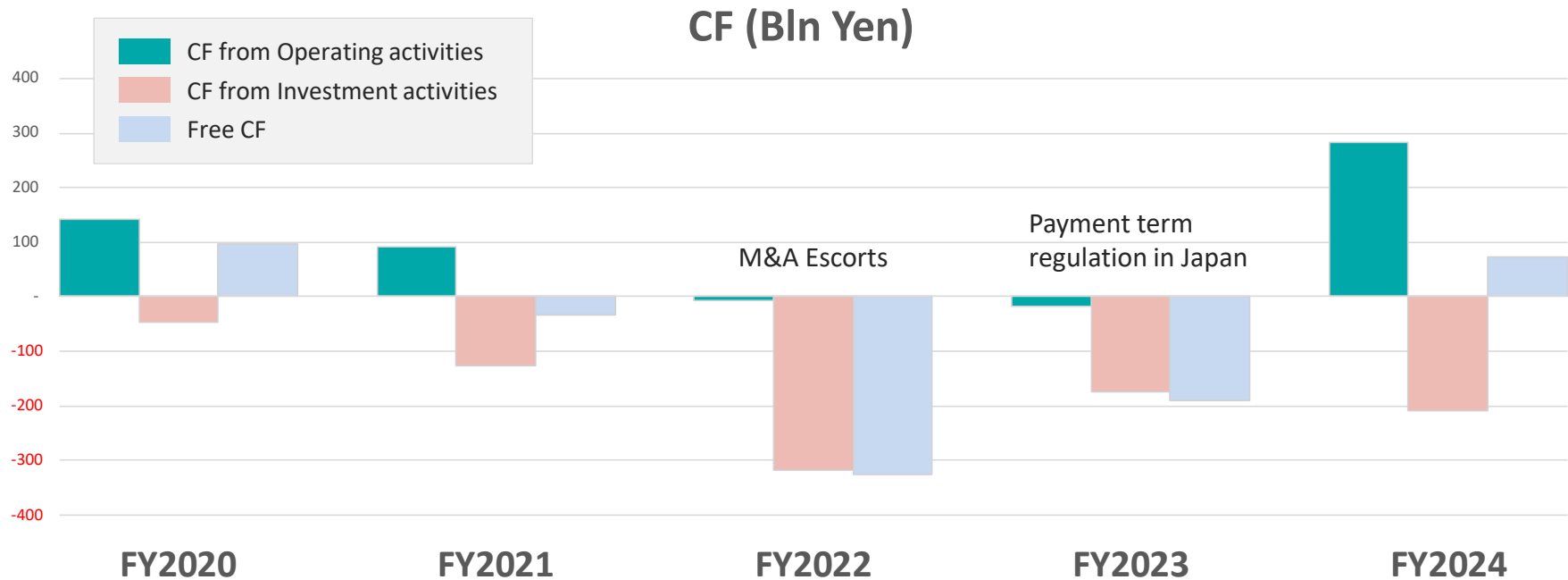
* MB : Mini Backhoe

* CTL : Compact Track Loader

Increase the production capacity of MB, CTL and basic tractor, which are our key pillars of future growth

2. Enhancement of Company structure (Cash-flow Improvement)

- Operating CF for 2024 blacked in figures through inventory reduction, etc.
- Achieved the positive Free CF for the first time in four years



Free cash flow is improving

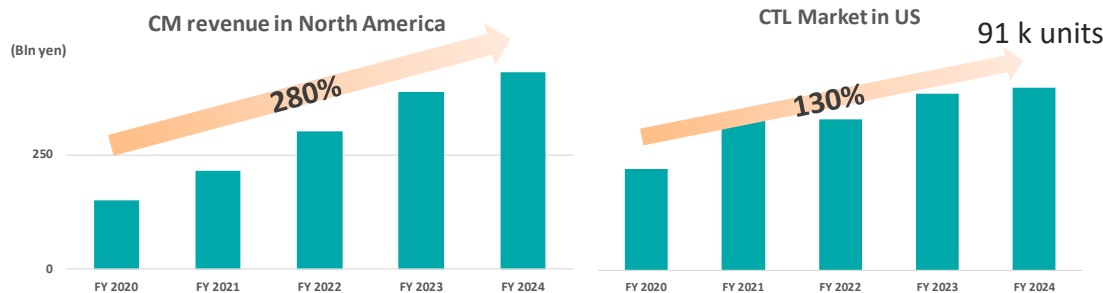
3. Mid-term Growth Drivers

Construction Machinery business

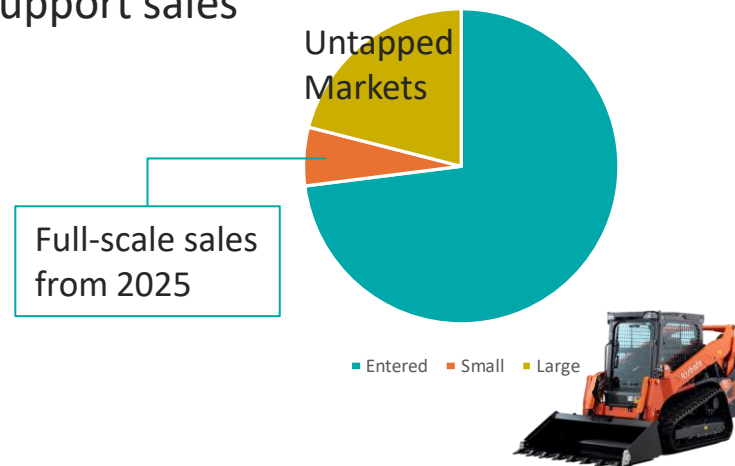
Growth Stories:

Population growth and Urbanization bring the demand for small CM in both developed and developing countries. In North America, CTL business is growing supported by infrastructure development and investment for renewal. Expand the product lineup with strong product competitiveness.

- Completed development of small CTL and started full-scale sales
- Development of large CTL is also progressing steadily
- Promote production and development structure to support sales expansion
- Steady growth in market share



CTL market composition in NA



Aim at 30% of market share in major products

3. Mid-term Growth Drivers

Basic agricultural machinery business

Growth Stories:

Mechanization for agriculture progresses in developing countries against the backdrop of food supply issue.

Accelerate mechanization process with low-cost machines

Step 1 Penetrate Indian market

- Launch new FT tractor for entry-level premium market
- Progress Kaizen Activities in Escorts factories
- Start in-house retail finance service

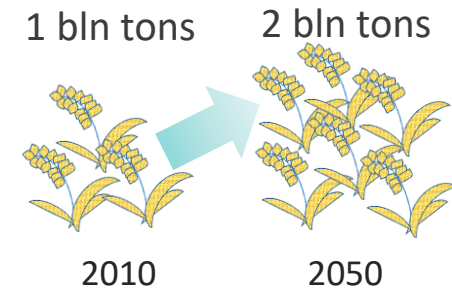
Step 2 Exporting

- Full-scale rollout of the EK (Escorts-Kubota) series in Europe
- Focus on quality improvement first for FT and PT series.

* FT and PT series: Basic tractor developed by Escorts

* EK series: tractor jointly developed by Kubota and Escorts

Food Demand in Asia, including India



Business development in India has been progressing steadily

3. Mid-term Growth Drivers

Water & Environment: O&M solution business

In Japan, maintenance of infrastructure are transferred to the private sector due to population decrease and aging. Take new O&M demand with track record and a high market share.

- The development of systems such as KSIS PIPEFUL has progressed, and the efficiency of infrastructure management is progressing
- Established an advantage backed by experience in water supply pipelines in the past

ASEAN agricultural machinery business

There is a strong demand for stable food supply where it is independent from weather. Take the lead in promoting the mechanization for dry-land farming which is undeveloped.

- There is a growing trend of medium-sized and high-performance tractors with the increase in dryland farming tractors

After-sales support business

- Develop with the increase in the number of tractor and CM units in the market

Other agricultural machinery, W & E, etc.

- Select the growth driver such as cracking tube in the water & environment business
- Efforts to raise profitability by reducing fixed costs, etc.

4. Toward the Final Year of the Mid-Term Plan

Financial Targets

(Bln Yen)	Targets	FY 2025 FCST	Review
Revenue	3,000.0	3,050.0	✓ good
Operating profit / %	360.0 / 12%	280.0 / 9.2%	✗ Not good
ROE	11%	FY 2024 9.9%	A bit short
Shareholder return ratio	Over 40%	FY 2024 47.0%	✓ good
Operating Cash Flow (cumulative of 5 years)	880.0	600.0 ~	✗ Not good
Free Cash Flow (cumulative of 5 years)	280.0	~ ▲400.0	✗ Not good

Operating profit margin and CF continue to be our challenges

4. Toward the Final Year of the Mid-Term Plan

Strengthen the management infrastructure and operation

Tackle with our subject through Established 4 projects

Management Structure Reform Project

Current management structure is reaching the limits due to business globalization

→ Clarify the authority and responsibilities by the three linchpins: business, function, and region

Development Reform Project

R&D structure based on 6 regions → Build the ideal structure to enhance the capability of technology and product development through global collaboration

Operation Reform Project

Subjects in operation and supply chain → Establish a global S&OP structure and competitive production structure based on the KPS

Human Resources and Global Personnel Reform Project

Human Resources is the source for corporate value creation

→ Build a global human resources system and establish criteria for value judgment in business

Push forward materializing the solutions

The reason why 12% OP margin is not achieved



Inappropriate prospect for the end of surge demand brought by pandemic has broken the balance of production and organization structure



Cost increases caused by inflation is not fully compensated



Delay in improving profitability in some businesses due to demand declines, etc.

Recognize changes on our doorstep and make a fresh start

4. Toward the Final Year of the Mid-Term Plan

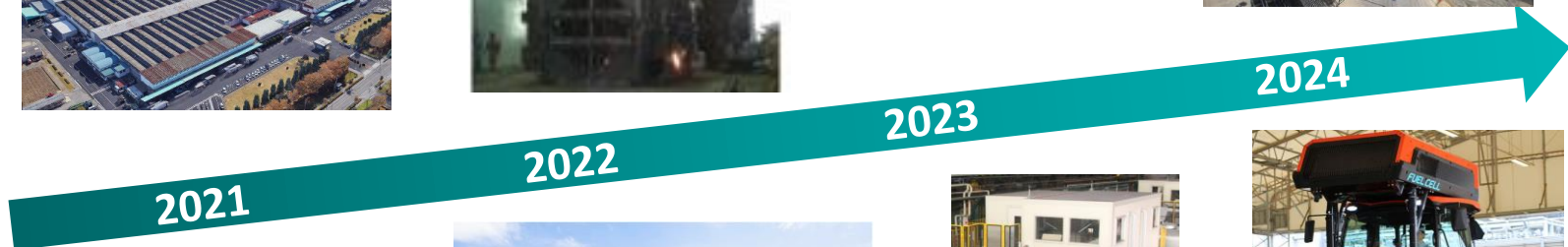
What we prepared for 2030

Expansion of construction machinery plant

Escorts Acquisition

Business Selection and Concentration (including withdrawal)

BCP started



2021

2022

2023

2024



KSAS AIチャット
株式会社クガタ

Lv2 Autonomous Driving
KSAS Extension
(Kubota Smart Agri System)



Strengthen R&D
function



Actions for
Environmental
impact, such as
switching to electric
furnaces, etc.



Initiatives for New
Power train

Product Competitiveness

For Earth, For Life

Kubota

Cautionary Statements with Respect to Forward-Looking Statements

This document may contain forward-looking statements that are based on management's expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation: general economic conditions in the Company's markets, particularly government agricultural policies, levels of capital expenditures both in public and private sectors, foreign currency exchange rates, the occurrence of natural disasters, continued competitive pricing pressures in the marketplace, as well as the Company's ability to continue to gain acceptance of its products.
