For Earth, For Life
Kubota

Financial Results for FY 2026 2nd Quarter

August 4, 2026

KUBOTA Corporation

Results

Financial Results for FY 2026 2nd Quarter

Revenue increased by ¥235.3 billion and operating profit increased by ¥92.5 billion.
Even excluding foreign exchange effects, both revenue and operating profit exceeded the previous year, supported by sales growth and the continued benefits of price adjustment and fixed-cost management.

(Unit: billions of yen)	FY 2026 2Q	FY 2025 2Q	Changes Amount	Changes %
Revenue	1,690.3	1,454.9	+235.3	+16.2
Operating profit	13.9% 235.6	9.8% 143.0	+92.5	+64.7
Profit before income taxes	14.7% 247.8	10.4% 151.5	+96.3	+63.6
Profit attributable to owners of the parent	10.3% 173.7	6.4% 92.5	+81.2	+87.8

	FY 2026 2Q	FY 2025 2Q
1USD (JPY)	158	149
1EUR (JPY)	185	162

▶ Breakdown of revenue by business segment

(Unit: billions of yen)	FY 2026 2Q	FY 2025 2Q	Changes Amount	Changes %
Machinery	1,496.9	1,267.4	+229.6	+18.1
Farm Equipment and Engines	1,125.4	995.0	+130.3	+13.1
Construction Machinery	371.5	272.3	+99.2	+36.4
Water & Environment	186.2	179.6	+6.6	+3.7
Other	7.2	8.0	-0.8	-9.7

Changes with local currency basis
Revenue +¥139.0 bn / Operating profit +¥42.1 bn

Revenue changes by region and business segment

*Excl. foreign exchange effects

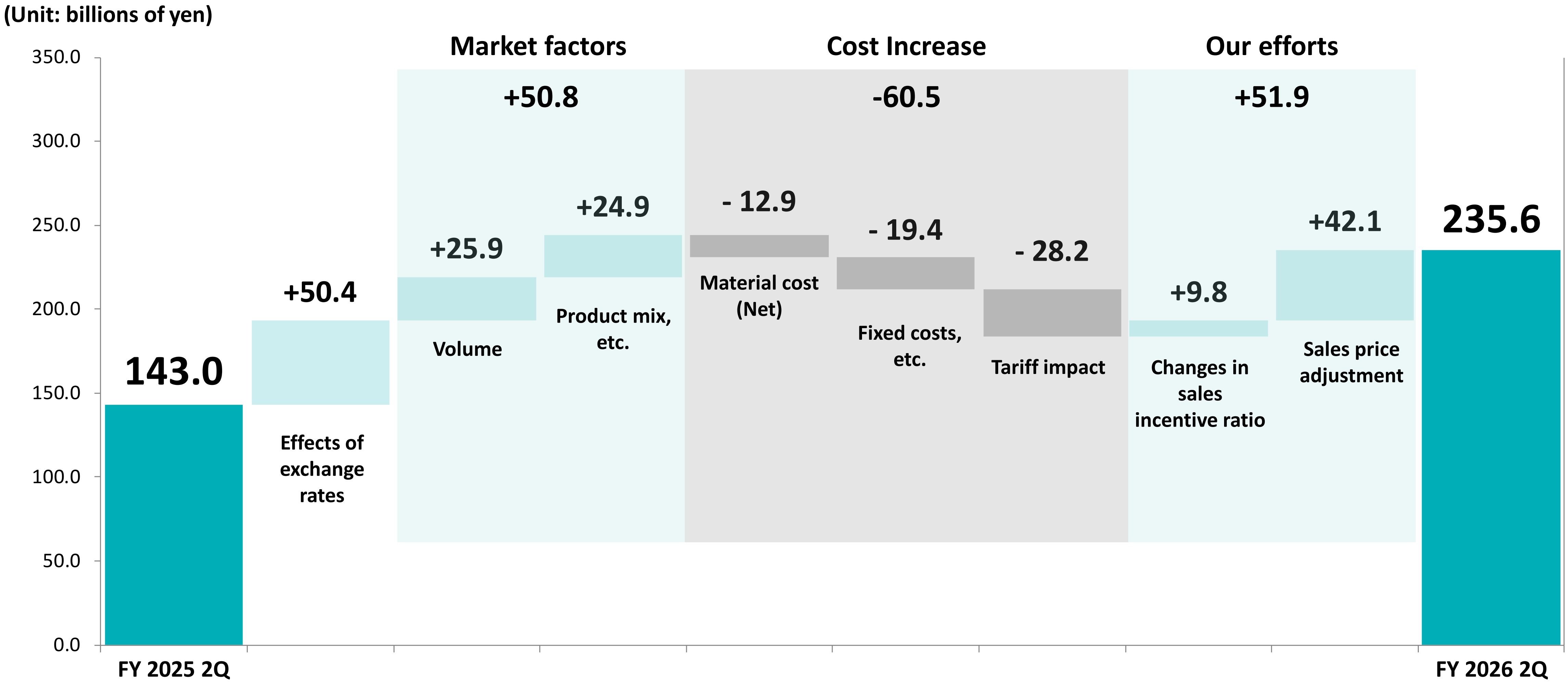
(Unit: billions of yen)			FY 2026 2Q	FY 2025 2Q	Changes	Changes*
Machinery	by region	Japan	196.8	174.1	+22.7	+22.7
		North America	700.5	560.5	+140.0	+97.2
		Europe	215.0	166.4	+48.6	+24.0
		Asia and Others	384.6	366.4	+18.2	-9.5
			1,496.9	1,267.4	+229.6	+134.5
Water & Environment			186.2	179.6	+6.6	+5.1

		FY 2026 2Q	FY 2025 2Q	Changes	Changes*
by business segment	Farm Equipment and Engines	1,125.4	995.0	+130.3	+61.2
	Construction Machinery	371.5	272.3	+99.2	+73.2
		1,496.9	1,267.4	+229.6	+134.5

		Market Situation	Retail Situation	Wholesales and Production Situation
Machinery	Japan	Due to expectations of lower rice prices and rising production costs, the agricultural machinery market is gradually shifting from last year's strong demand into a moderate correction phase.	Although agricultural machinery market is stabilizing, cumulative sales remained strong and stayed above the previous year.	Responded to robust demand and maximized sales opportunities by appropriately managing production and shipments.
	North America	Affected by the situation in the Middle East, sentiment in the 0–40 HP tractor range weakened, and the 40–100 HP range also slowed on worsening farm profitability, but livestock-related demand was relatively firm. The construction machinery market held firm, led by public and private construction investment.	Tractor sales declined in the residential segment, but agricultural use remained relatively firm. Construction machinery exceeded the previous year on strong public and private construction demand.	Tractors increased as inventories normalized from last year's adjustment phase. For construction machinery, we strategically built up inventory ahead of new model launches.
	Europe	The tractor market held at the previous year's level despite continued weakness in agricultural product prices. The construction machinery market was on a recovery trend, supported by expanding infrastructure investment.	For tractors, we captured growth in the basic-machine market through expanded sales of the E-Kubota series, but overall sales declined. Construction machinery remained firm on recovering demand.	Tractor shipments recovered as inventories normalized. Construction machinery captured the market recovery and stayed above the previous year's level.
	Asia and Others Thailand	Against a backdrop of weak farm incomes, the market stayed at a low level and the challenging business environment continued.	Amid the continued difficult market environment, we minimized the decline in sales through new model launches and sales-promotion activities.	Carried out flexible production adjustments in line with demand trends, securing profitability and healthy inventory levels.
	Asia and Others India	The market continued to grow strongly, supported by government rural-support measures and favorable agricultural conditions.	Retail sales expanded on the market's strong growth and progressed steadily.	Steadily capturing demand in this growth market, both sales and production expanded.
Water & Environment		Supported by national resilience initiatives and replacement demand for aging infrastructure, demand for pipeline renewal remained solid.	Strengthened proposal activities centered on O&M and PPP (public-private partnership) projects to win projects that lead to future growth.	—

Operating Profit (compared with FY 2025 2nd Quarter)

Operating profit increased year-on-year, as tariff-related and other cost increases were offset through our efforts and tariff refunds. Notably, the positive impact of price adjustment and incentive optimization indicates stable progress in enhancing profitability.



Key Balance Sheet Items, Cash Flows

Key Balance Sheet Items

*Year-on-year changes in balance exclude foreign exchange effects

Finance receivables (YoY -31.2 billion yen)
Progress was made toward improving capital efficiency through tighter control of North American retail finance receivables.

Inventories (YoY -6.3 billion yen)
Asset efficiency was improved by sustaining sales growth without increasing inventory levels.

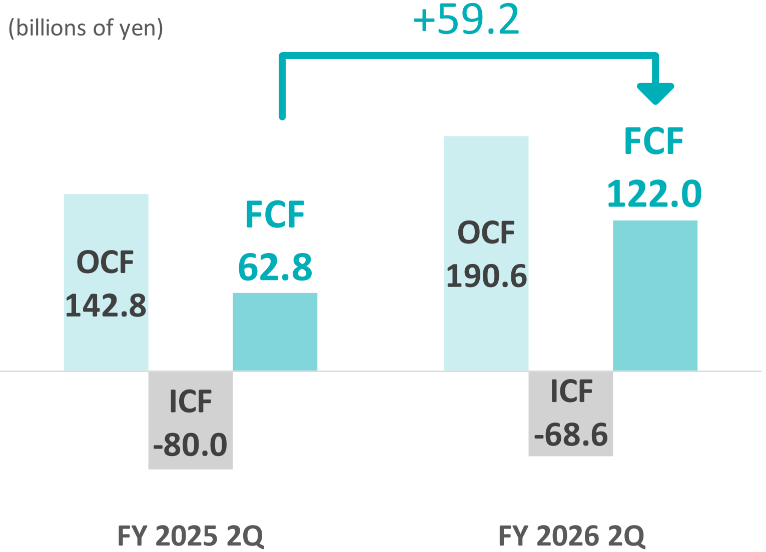
Trade receivables (YoY +75.6 billion yen)
Increased as dealer inventories were replenished.

Compared with the same period of the previous year

	As of June 30, 2026	As of June 30, 2025	Changes	Changes excl. the effects of currency fluctuation
Finance receivables	2,230.8	2,039.0	+ 191.9	- 31.2
Inventories	718.9	671.8	+ 47.1	- 6.3
Trade receivables	1,106.7	946.4	+ 160.3	+ 75.6

FCF 122.0 billion yen (YoY +59.2 billion yen)

Cash-generating capability improved substantially, supported by earnings growth and effective working capital management centered on finance receivables.



OCF: Cash Flows from Operating Activities
ICF: Cash Flows from Investing Activities

Interim Dividend

Interim dividend increased by ¥1 YoY to ¥26 per share.
Maintain a stable progressive dividend policy.

Forecast

Financial Forecast for FY 2026

Although uncertainties in the market persist, both revenue and operating profit are planned to exceed the previous year's levels.

(Unit: billions of yen)	FY 2026 (2Q Forecast)	FY 2025 (Actual)	Changes		Previous Forecast (Feb. 2026)
			Amount	%	
Revenue	3,280.0	3,018.9	+261.1	+8.6	3,150.0
Operating profit	12.2% 400.0	8.8% 265.5	+134.5	+50.7	9.5% 300.0
Profit before income taxes	12.7% 417.0	9.3% 282.1	+134.9	+47.8	10.1% 317.0
Profit attributable to owners of the parent	8.8% 289.0	6.2% 186.7	+102.3	+54.8	6.7% 210.0
1USD (JPY)	157	150			145
1EUR (JPY)	183	169			165

Breakdown of revenue by business segment

(Unit: billions of yen)	FY 2026 (2Q Forecast)	FY 2025 (Actual)	Changes	
			Amount	%
Machinery	2,870.0	2,628.6	+241.4	+9.2
Farm Equipment and Engines	2,145.0	2,003.3	+141.7	+7.1
Construction Machinery	725.0	625.3	+99.7	+15.9
Water & Environment	395.0	374.4	+20.6	+5.5
Other	15.0	15.9	-0.9	-5.8

Changes with local currency basis
Revenue +¥135.0 bn / Operating profit +¥77.5 bn

Revenue changes by region and business segment

*Excl. foreign exchange effects

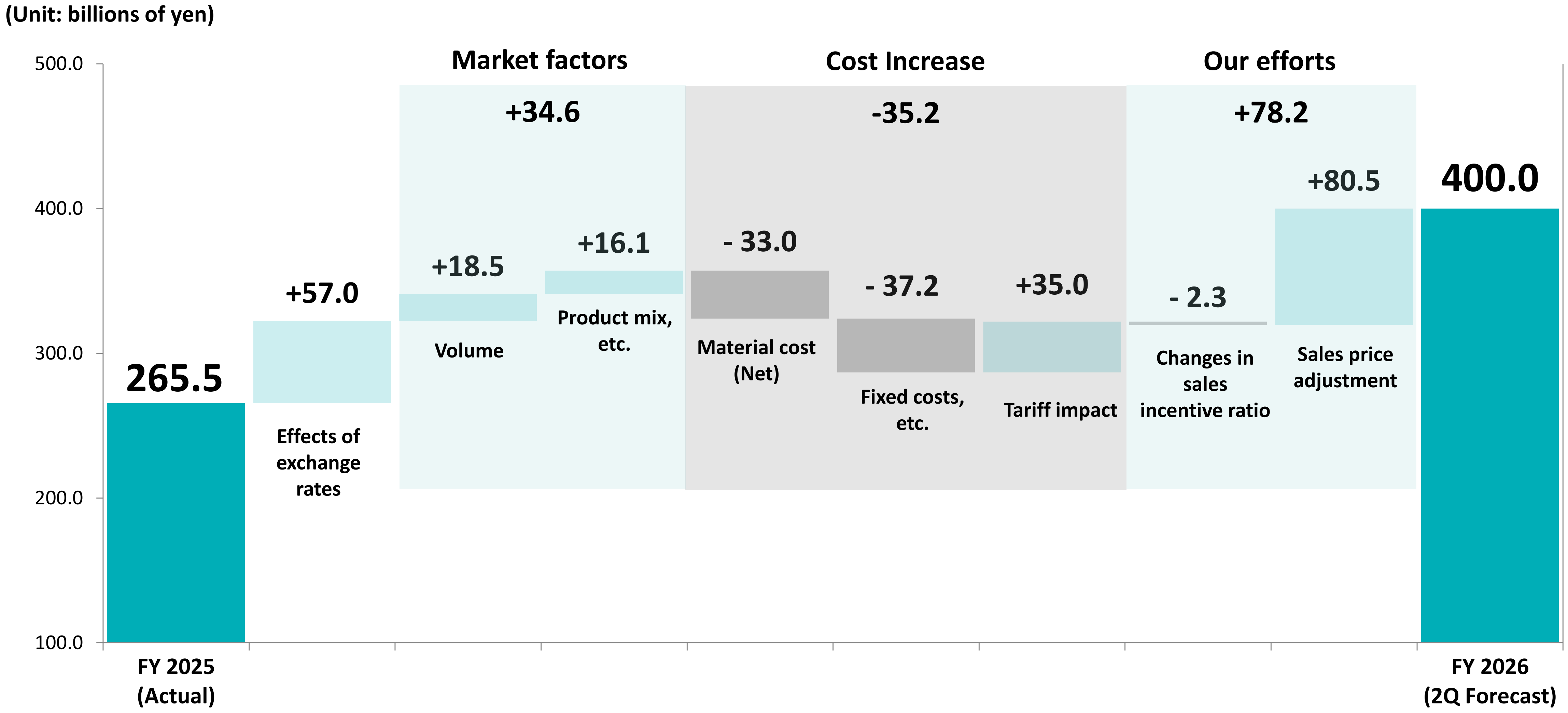
(Unit: billions of yen)			FY 2026 (2Q Forecast)	FY 2025 (Actual)	Changes	Changes*
Machinery	by region	Japan	360.0	354.8	+5.2	+5.2
		North America	1,341.0	1,195.9	+145.0	+83.5
		Europe	407.0	345.8	+61.2	+32.7
		Asia and Others	762.0	732.1	+30.0	-3.4
			2,870.0	2,628.6	+241.3	+117.9
Water & Environment			395.0	374.4	+20.6	+18.3

		FY 2026 (2Q Forecast)	FY 2025 (Actual)	Changes	Changes*
by business segment	Farm Equipment and Engines	2,145.0	2,003.3	+141.7	+54.0
	Construction Machinery	725.0	625.3	+99.7	+63.9
		2,870.0	2,628.6	+241.3	+117.9

		Market Situation	Retail Situation	Wholesales and Production Situation
Machinery	Japan	The agricultural machinery market is expected to contract due to a pullback from the previous year and rising production costs, but is likely to remain resilient.	Although a market adjustment is anticipated, we will maintain stable sales by leveraging our sales base.	Operate production and supply systems steadily to clear the order backlog.
	North America	The 0–40 HP tractor range is weak due to inflation stemming from the situation in the Middle East. The 40–100 HP range is affected by the same factor, but livestock demand remains relatively firm, helped by stable beef prices. The construction machinery market is solid on firm private construction investment.	Tractor demand in the residential segment slows, but mid-size models led by the new MX remain relatively firm. For construction machinery, we expect further growth from the addition of new CTL models.	Tractors decline in the residential segment but increase in mid-size models as we replenish inventory. Construction machinery is on par with the previous year.
	Europe	The tractor market is on par with the previous year, affected by rising production costs. In the construction machinery market, infrastructure-related demand is driving the recovery.	Both tractors and construction machinery are expected to exceed the previous year. For construction machinery, we will actively capture demand from the market recovery.	In addition to normalizing tractor inventories, we expect shipments to expand on recovering construction machinery demand.
	Asia and Others Thailand	Although there are signs of improvement in crop prices, El Niño is forecast, and the market recovery is expected to still take time.	Despite the challenging market environment, we aim to curb the decline in sales through new model launches.	Continue production adjustments in line with demand to maintain profitability and healthy inventory levels.
	Asia and Others India	Despite risks from the situation in the Middle East and from weather, market growth is expected to continue on the back of economic expansion.	To capture more of the market's strong growth, we are expanding our lineup for paddy-field and upland-farming.	Expand our customer base through new model launches and deepen market penetration for medium- to long-term growth.
Water & Environment		Supported by national resilience initiatives and replacement demand, the infrastructure-related market is expected to continue growing steadily.	In addition to O&M and PPP (public-private partnership) projects, we will steadily capture national-resilience-related demand and aim for stable growth.	—

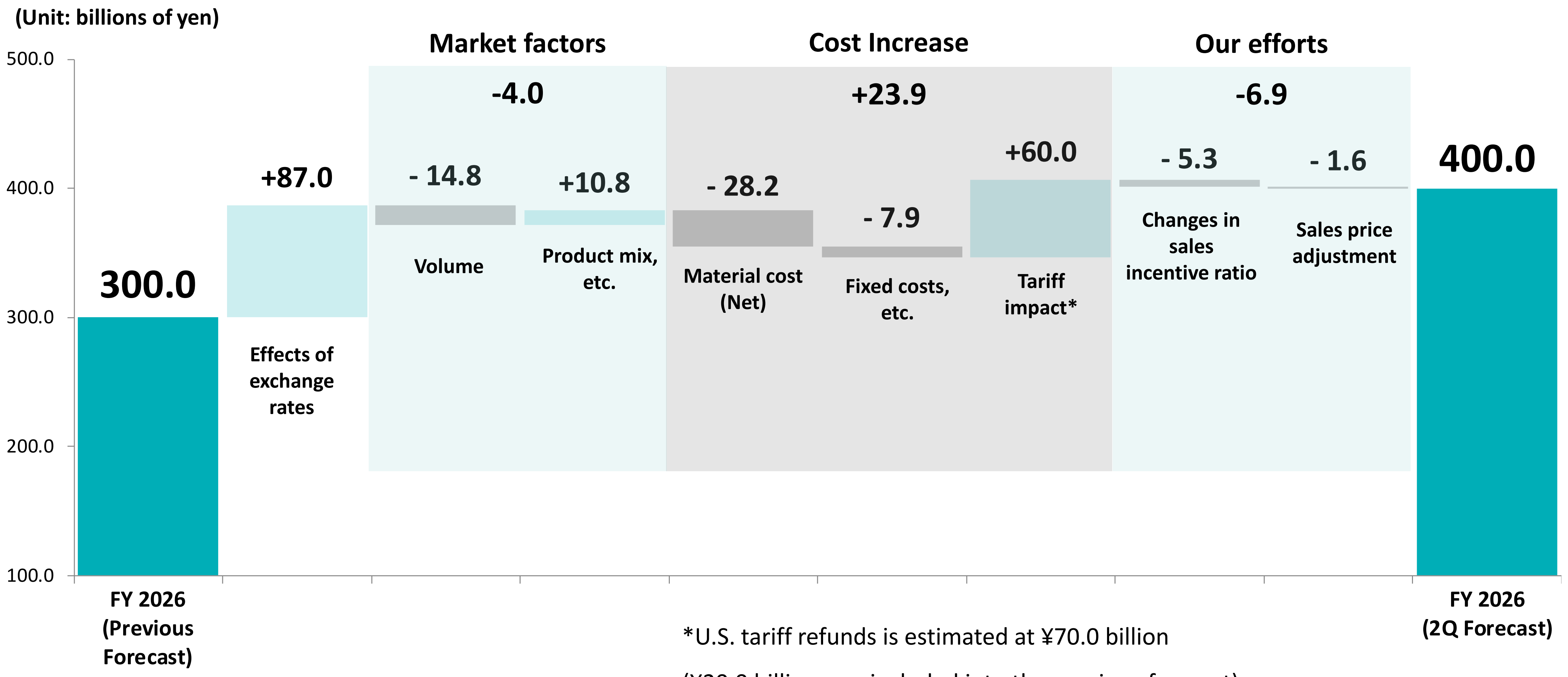
Operating Profit (compared with FY 2025)

Profit increased year-on-year, benefiting from yen depreciation and U.S. tariff refunds. Although cost increases related to the Middle East situation are more materialized, those are expected to offset by our efforts. We take continuous initiative to improve profitability.



Operating Profit (compared with Previous Forecast)

Operating profit is forecasted to exceed previous forecast, supported by yen depreciation and U.S. tariff refunds. Although cost increases related to the Middle East situation and incentive expenses to support construction equipment sales expansion in North America are anticipated, we minimize these impact as much as possible through our careful initiatives and cost management.
We steadily improve earnings power.



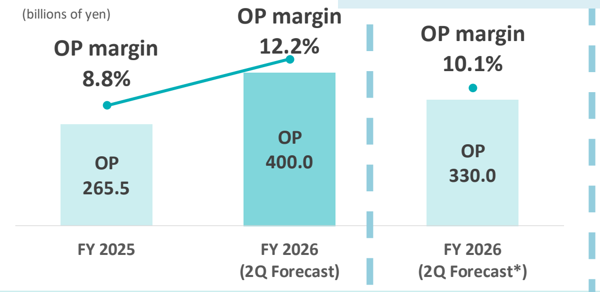
*U.S. tariff refunds is estimated at ¥70.0 billion
(¥20.0 billion was included into the previous forecast)

Progress in Profitability Improvement and Capital Efficiency: Improving OP margin, FCF, and ROIC

*Excluding the impact of U.S. tariff refunds

FY 2026 OP margin forecast 12.2% (YoY +3.4 pts)

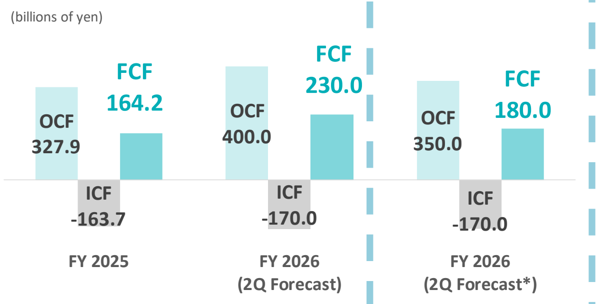
Improve profitability through price adjustment, incentive optimization, and disciplined fixed-cost management.



FY 2026 FCF forecast 230.0 billion yen (YoY +65.8)

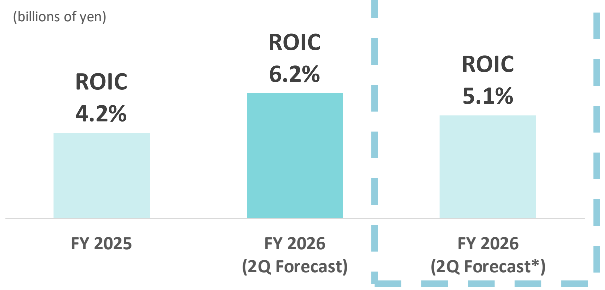
Improve the power of cash generation through profitability improvement and working capital management primarily such as inventory and finance receivables.

*Plan an additional ¥40.0 billion share buyback program, reflecting FCF performance (effective August 4).



FY 2026 ROIC forecast 6.2% (YoY +2.0 pts)

Improve steadily capital efficiency through both enhanced profitability and more efficient capital utilization.



Despite the significant improvement expected in FY 2026 from U.S. tariff refunds, mid-term plan targets remain unchanged given the temporary nature of the benefit.

Key Initiatives to Improve ROIC

ROIC improvement is driven by three key initiatives: profitability improvement through portfolio reform, invested-capital reduction through inventory and finance receivables management, and stronger investment discipline. Price adjustment, incentive optimization, and fixed-cost management support margin improvement, while tighter investment budget management and higher hurdle rates enhance the quality of future investments.

ROIC improvement	**Profitability improvement**	**Portfolio reform**	• Review of businesses and products by the Business Portfolio Strategy Committee
		Price adjustment / incentive optimization	• Price increases on key products take hold • Reducing the scale of zero-interest financing
		Fixed-cost management	• Cross-functional control of major expense items through the CxO system
	Invested-capital reduction	**Inventory reduction**	• Inventory visualization through core-system deployment
		Finance-receivable reduction	• Shortening financing terms
	Investment discipline	**Investment-envelope management**	• Thorough management of the total budget envelope and prioritization by the Investment Strategy Committee
		Raising the hurdle rate	• Improving the profitability of future investments

Lastly

We made a solid start in this first half as the first year of midterm plan. In the second half, while tariff refund provides a temporal boost, external uncertainties such as tariffs, procurement, and market volatility are expected to persist. We will continue to tighten our grip on costs and assets to deliver stable profits and cash flow, and remain firmly committed to achieve this fiscal year's performance targets.

For Earth, For Life

Appendix: Statement of Financial Position

Compared with the previous fiscal year-end

(Unit: billions of yen)	As of June 30, 2026	As of Dec. 31, 2025	Changes	Changes excl. the effects of currency fluctuation
Cash and cash equivalents	303.3	277.0	+ 26.3	+ 19.9
Trade receivables	1,106.7	1,001.7	+ 105.0	+ 85.8
Finance receivables	2,230.8	2,221.3	+ 9.6	- 36.0
Inventories	718.9	688.9	+ 30.0	+ 19.5
Intangible assets	935.2	940.4	- 5.2	- 11.9
Other	1,059.7	1,075.7	- 16.1	
Total assets	6,354.6	6,204.9	+ 149.6	
Bonds and borrowings	2,256.7	2,242.1	+ 14.7	- 25.0
Trade payables	265.1	296.4	- 31.3	- 32.0
Other	792.5	793.4	- 1.0	
Total liabilities	3,314.3	3,331.9	- 17.6	
Shareholder Equity	2,794.8	2,623.0	+ 171.8	
Noncontrolling interests	245.5	250.0	- 4.6	
Total equity	3,040.2	2,873.0	+ 167.2	
Total liabilities and equity	6,354.6	6,204.9	+ 149.6	

Appendix: Financial Services (Management-based internal control)

Statement of Financial Position

(Unit: billions of yen)	As of June 30, 2026 Financial services	As of June 30, 2026 Equipment operations	As of Dec. 31, 2025 Financial services	As of Dec. 31, 2025 Equipment operations
Total assets	2,561.5	3,793.0	2,577.7	3,627.2
Cash and cash equivalents	74.2	229.1	51.0	226.0
Trade receivables	30.0	1,076.7	27.2	974.5
Finance receivables	2,230.8	-	2,221.3	-
Inventories	-	718.9	-	688.9
Property, plant, and equipment	19.5	915.6	19.7	920.6
Other	206.9	852.7	258.6	817.2
Total liabilities	2,086.6	1,227.7	2,113.7	1,218.2
Total interest-bearing liabilities	1,924.9	331.8	1,960.8	281.3
Other	161.7	895.8	152.9	936.9
Total equity	474.9	2,565.4	464.0	2,409.0

Delinquency rate of retail finance receivables

(Unit: billions of yen)	As of June 30, 2026 Amount	As of Dec. 31, 2025 Amount	Changes Amount	Changes %
Balance of receivables	2,273.0	2,257.6	+15.4	+0.7
Over 90 days delinquent payment	43.0	23.8	+19.2	+80.9
Delinquency rate	1.9%	1.1%	-	+ 0.8P

Appendix: Operating Profit by Reportable Segment (Management-based internal control)

(Unit: billions of yen)		FY 2026 2Q	YoY	FY 2026 (2Q Forecast)	YoY
Machinery	Revenue	1,496.9	+229.6	2,870.0	+241.4
	Operating profit	212.2	+76.5	371.0	+144.9
	OP margin	14.2%	+3.5P	12.9%	+4.3P
Water & Environment	Revenue	186.2	+6.6	395.0	+20.6
	Operating profit	17.1	+0.5	29.0	+1.4
	OP margin	9.2%	-0.0P	7.3%	-0.0P
Other	Revenue	7.2	-0.8	15.0	-0.9
	Operating profit	0.4	-0.2	1.0	+0.2
	OP margin	5.1%	-2.2P	6.7%	+1.5P
Adjustment*	Operating profit	5.8	+15.7	- 1.0	-12.0
Total	Revenue	1,690.3	+235.3	3,280.0	+261.1
	Operating profit	235.6	+92.5	400.0	+134.5
	OP margin	13.9%	+4.1P	12.2%	+3.4P

* ’Adjustment’ includes mainly foreign exchange gains and losses at the parent company.
Due to the organizational reform effective January 1, 2026, expenses that were previously included in the ‘Adjustment’ have been allocated to each business segment. As a result, we have reclassified the segment profits for FY 2025.

Appendix: Supplementary data of the U.S.

■ YoY growth rate of retail sales units in tractor market by horsepower

		Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Dec.
2025	0-40 HP	-12.7%	-6.3%	-0.5%	-19.5%	-9.0%
	40-100 HP	-11.3%	-5.3%	+6.3%	-7.5%	-4.0%
	100-160 HP	-19.4%	-21.1%	-7.3%	-12.3%	-15.2%
2026	0-40 HP	-8.7%	-19.0%	-	-	-
	40-100 HP	+0.0%	-9.9%	-	-	-
	100-160 HP	-13.8%	-7.5%	-	-	-

Source: AEM (Association of Equipment Manufacturers)

■ YoY growth rate of retail sales units in mini-excavator market (0-6t)

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Dec.
2025	-6.6%	+4.5%	+11.3%	-3.4%	+1.3%
2026	+1.1%	+0.6%	-	-	-

Source: AEM (Association of Equipment Manufacturers)

■ YoY growth rate of retail sales units in compact track loader market

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Dec.
2025	-4.3%	+9.3%	+18.8%	+9.1%	+8.6%
2026	+13.8%	+4.2%	-	-	-

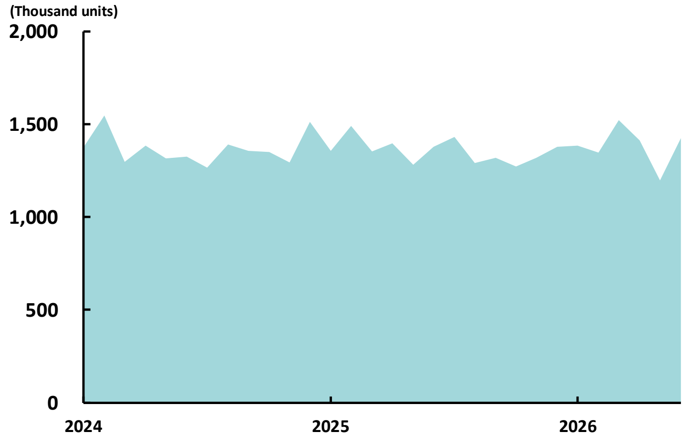
Source: AEM (Association of Equipment Manufacturers)

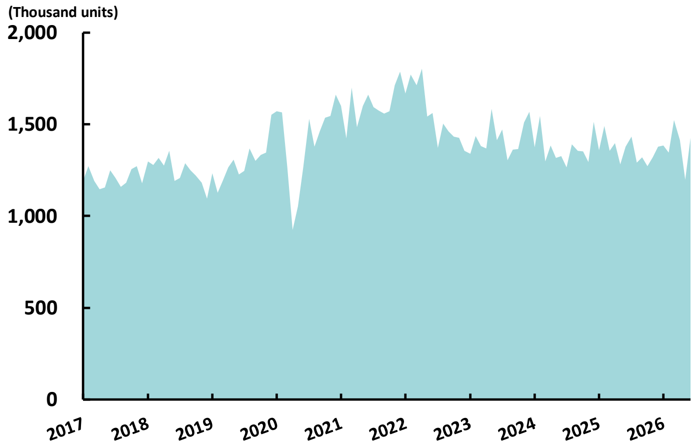
■ YoY growth rate of retail sales units in skid steer loader market

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Dec.
2025	-1.6%	-1.2%	+3.2%	+9.0%	+3.3%
2026	-11.7%	-7.0%	-	-	-

Source: AEM (Association of Equipment Manufacturers)

■ New privately owned housing units started (Seasonally adjusted annual rate)





Source: U.S. Census Bureau

Safe Harbor

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