

# Mid-Term Business Plan 2030

For Earth, For Life  
**Kubota**

## ***“Focus & Breakthrough”***



February 13, 2026  
**KUBOTA Corporation**



# Agenda

1. Mid-Term Business Plan 2030 Outline
2. Mid-Term Business Plan 2025 Review
3. Mid-Term Business Plan 2030 Roadmap to "Evolution"
  - (1) Selection and concentration of management resources
  - (2) Strategic financial management with a focus on the balance sheet
  - (3) A robust global foundation to support future growth

# 1. Mid-Term Business Plan 2030 Outline

# 1. Mid-Term Business Plan 2030 Outline (1)

## Redefine the core of our business and clarify our mission for the future

While continuing and deepening our philosophy of contributing to the fields of "food, water, and the environment" since our founding, and maintaining **our long-term vision as an "Essentials Innovator for Supporting Life."**  
By setting a new slogan for each business, we will clarify the direction we should take as we strive for further growth.

### Machinery Business

**"Big Work with  
Smaller Machines"**

We achieve overwhelming results that surpass size with advanced technology. We solve our customers' issues with our unique solutions that have honed our strengths and support the world's food production and social infrastructure.

### Water & Environment Business

**"To contribute to the building of  
resilient social infrastructure  
through solutions centered on  
products and technology"**

We protect people's lives and industries through safe water supply and resource circulation. We will respond to aging infrastructure and environmental issues through public-private partnerships (PPP) and new technologies to realize a sustainable society.



# 1. Mid-Term Business Plan 2030 Outline (2)

## Breaking away from the emphasis on quantity and evolving to "corporate value management"

Based on the results and challenges of the previous Mid-Term plan, Kubota has entered a new stage of management.

**"Focus & Breakthrough": Break the past success and break through elevating corporate value to a higher level** through the three Focuses, and aim to maximize sustainable corporate value.



### 1. Concentration:

**Selection and concentration of management resources**

Breaking away from an all-round strategy, we invest our management resources into "growth-driving businesses" where our strengths can thrive in the essential areas of food, water, and the environment. The businesses facing profitability challenges will undergo structural reforms.



### 2. Financial Discipline:

**Strategic financial management with a focus on the balance sheet**

We prioritize free cash flow and capital efficiency over sales and profits, aiming to achieve a qualitative improvement in management.



### 3. Global Foundation:

**A robust global foundation to support future growth**

We establish an agile organization and governance system appropriate to the scale of our business. We will strengthen a resilient supply chain, human resources and corporate culture that encourage challenges, and DX (digital transformation) foundation that supports them.

A background image of a sunset or sunrise. The sun is a bright, glowing orb in the upper center, partially obscured by a layer of clouds. The sky transitions from a pale yellow near the sun to a soft blue at the bottom. The clouds are wispy and catch the low light of the sun.

## **2. Review of the Mid-Term Business Plan 2025**

# 2. Review of the Mid-Term Business Plan 2025

## Gap with the state we aim to achieve ①: The stagnation of a volume-driven business model

The previous volume-driven growth model hindered the realization of the vision we aim for.  
We are facing the need to transform the way we do business from the pursuit of volume to the creation of value.

Current state

**Volume-driven Business Model**

**Business strategy**

- All-round strategy
- Focusing on product provision (product sales)
- Prioritizing market share acquisition through scale expansion

**Organization**

- Complex and slow decision-making
- Improvements within the existing framework

The state we aim to achieve

**Sustainable Value Creation**

**Business strategy**

- Focus on growth-driving businesses that leverage our strengths
- Delivering value throughout the lifecycle
- Thorough pursuit of cash generation and capital efficiency

**Organization**

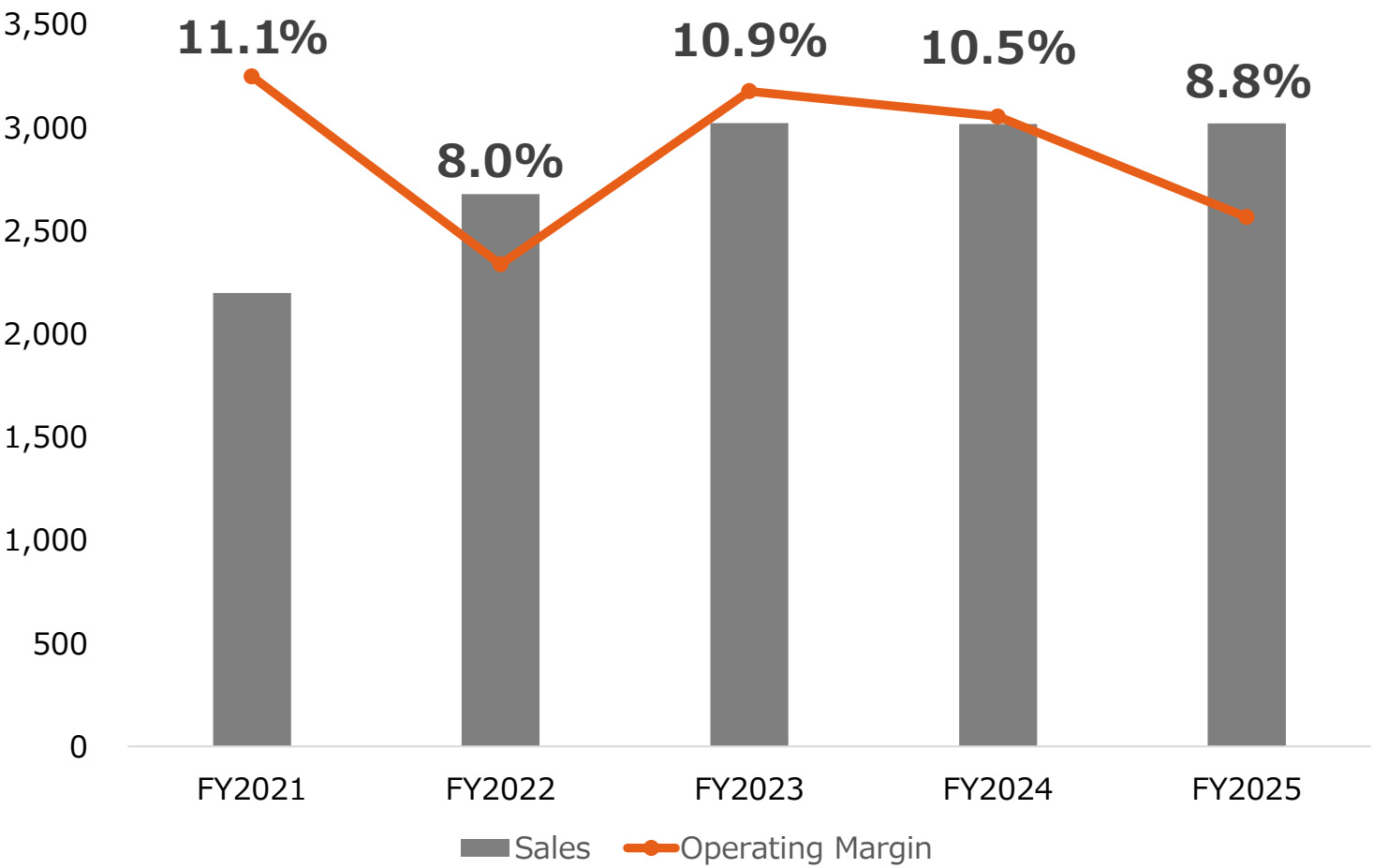
- New management formation to accelerate decision-making and improve customer value
- A culture that takes on challenges without fear of change

# 2. Review of the Mid-Term Business Plan 2025

## Gap from the state we aim to achieve②: Stagnation of corporate value due to declining management efficiency

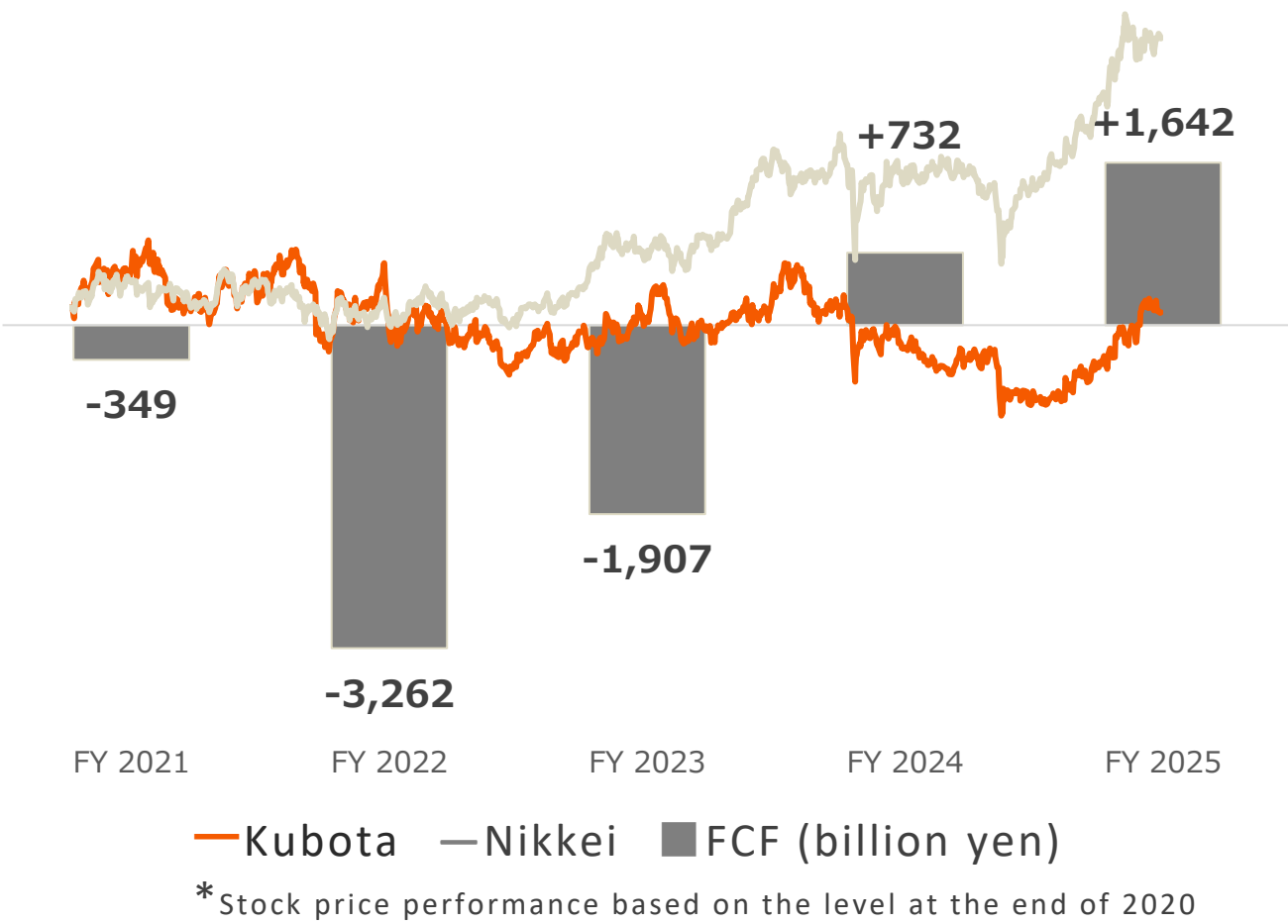
Although the volume-driven strategy contributed to the expansion of our business foundation, it also led to stagnation in profitability and free cash flow, ultimately becoming a constraint on enhancing corporate value.

Trends in sales and operating profit margin (billion yen)



Sales grow, but profit margins deteriorate.  
As a result of prioritizing business expansion,  
there is an urgent need for a qualitative shift in the profit structure.

Free Cash Flow (FCF) and Stock Performance



In addition to the decline in operating profit margin,  
stagnation in FCF generation capacity brought the stock price slump.  
The capital market does not value growth without cash generation.



The background image shows a construction site on a sandy beach. Two orange excavators are the central focus, positioned on a grid of wooden planks laid over the sand. The excavator in the foreground is larger and has its arm raised, while a smaller one is behind it. To the left, several white rectangular markers are planted in the sand. In the distance, a blue ocean meets a clear sky, with a long pier visible on the horizon. A surveying tripod with a red base is on the right. The scene is brightly lit, suggesting a sunny day.

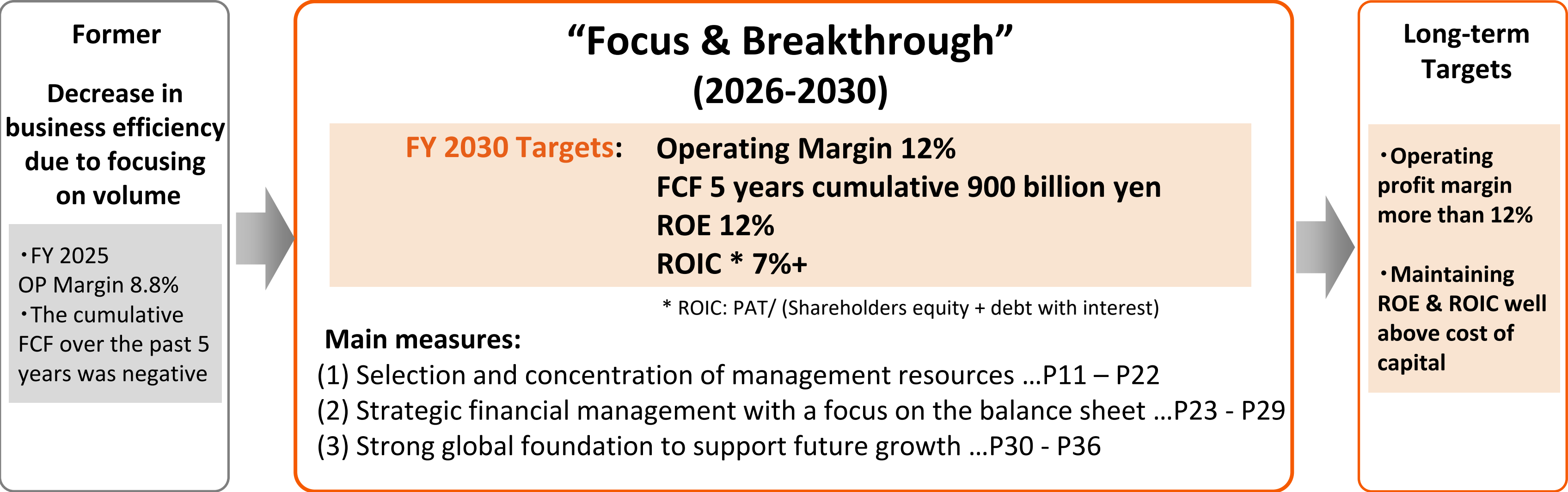
### **3. Mid-Term Business Plan 2030**

# 3. Mid-Term Business Plan 2030

## Roadmap to Evolution: Implementing “Focus & Breakthrough”

We have positioned the five years leading up to 2030 as a "Focus & Breakthrough" period, during which we will implement qualitative improvements to our management. We will strategically expand our business while improving efficiency, and achieve sustainable growth in corporate value. We aim to achieve ROE and ROIC that consistently exceed our cost of capital\*.

(Assumed cost of capital is 7-10%, WACC is 5-6.5%)



Sustainable Corporate Value Enhancement



A low-angle, back-silhouette shot of a man wearing a black helmet and jacket, riding a bicycle on a city street. He is looking up towards the sky. In the background, several tall skyscrapers are visible under a bright, hazy sky. A rainbow flag is visible on a building to the right. The sun is high, creating a lens flare effect. The overall tone is bright and hopeful.

# **(1) Selection and concentration of management resources**

# 3. Mid-Term Business Plan 2030

## (1) Selection and concentration of management resources

### Dynamic transformation of business portfolio with “Focus & Breakthrough”

We will clearly classify our business portfolio into **Growth Driver**, **Rebuidling the Core** and **Structural Reform**, and dynamically reallocate the resources we create to growth areas.

■ Growth Driver


Seize market tailwinds and accelerate business expansion

(1) Construction Machinery Business

North America Infrastructure & Housing / Expanding Lineup

CAGR: +8.2%

(Market CAGR:+4.0%)




(2) Business & Projects from India

Largest Market Deep Cultivation / Global Hub

CAGR: +9.4%


(Market CAGR:+2.7%)



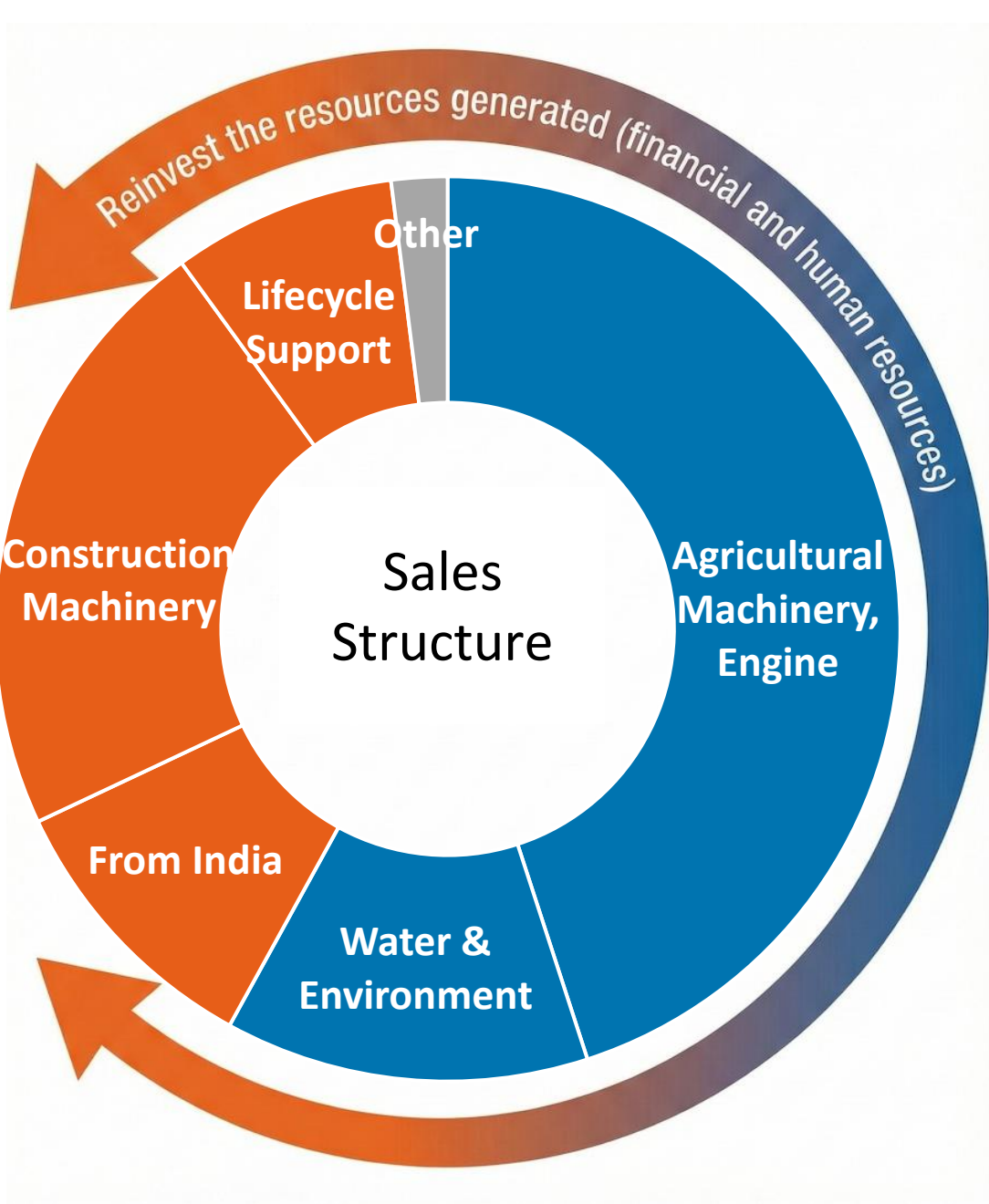
(3) Lifecycle Support Business\*

Stable Earnings Base / Long-term Relationships

CAGR: +6.8%



\* Comprehensive servicing business such as spare parts and after care through product life cycle



■ Rebuilding the Core


Renovate the profit structure of core businesses and shift to sustainable growth

(4) North American Tractor: the Largest and Most Important Market

Ensuring Cost Competitiveness / Review of Business Operations

CAGR: +4.6%

(Market CAGR: +2.5%)




(5) Water and Environment Business

Public-Private Partnership / Responding to Aging Infrastructure

CAGR: +5.7%

(Market CAGR: +2.0%)



■ Structural Reform


Strategically restructure to concentrate resources on essential areas

(6) European Agricultural Machinery

Shift to Profit-oriented/ Review Unprofitable Operations

CAGR: +2.0%

(Market CAGR: +0.8%)




(7) Domestic Agricultural Machinery

Streamlining the System/Smart Agricultural Machinery & High Added Value/Servicing & Maintenance

CAGR: +1.0%

(Market CAGR: +0.5%)



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# 3. Mid-Term Business Plan 2030

## (1) Selection and concentration of management resources

### ① Construction Machinery Business: Capturing structural demand in North America and evolving

**We will evolve from an equipment seller to a lifecycle partner, overcome short-term market fluctuations, and steadily capture medium- to long-term demand driven by population growth and infrastructure investment.**

#### Market Outlook

- **Structural tailwinds for the North American market**

The North American market has strong demand for housing and infrastructure due to population growth. In addition, there is a background of tight housing supply and falling interest rates. Investment in the social structure, such as the construction of data centers and the development of power infrastructure due to the spread of AI continues.

The market outlook is very resilient.

- **Structural tailwinds in Europe and Asia**

In Europe, aging roads, bridges and railways are being renovated, and demand for infrastructure redevelopment is strong, especially in Western Europe. In Southeast Asia and India, urbanization is progressing, and road, railway and port construction are active.

#### Key Strategies

1. **Expanding product lineup**

- The new CTL will be launched on the market in FY2026 to develop new markets that have not yet entered.
- Expand a variety of attachments to meet customer needs and promote in-house production.

2. **Differentiation by technology**

- Accelerate the development of ICT construction machinery and contribute to the efficiency and labor saving of construction.

3. **Deep cultivation of the market**

- Strengthen sales expansion in the rental market, where stable demand is expected.



# 3. Mid-Term Business Plan 2030

## (1) Selection and concentration of management resources

## ② Business and Project from India: Turning India, the world's growth center, into Kubota's growth engine

While aiming to capture high-growth markets, we will leverage India as a global hub for R&D, procurement and production, and improve the cost competitiveness of the entire group and strengthen our supply chain.

### Opportunity: Structural growth

#### Strong economic growth

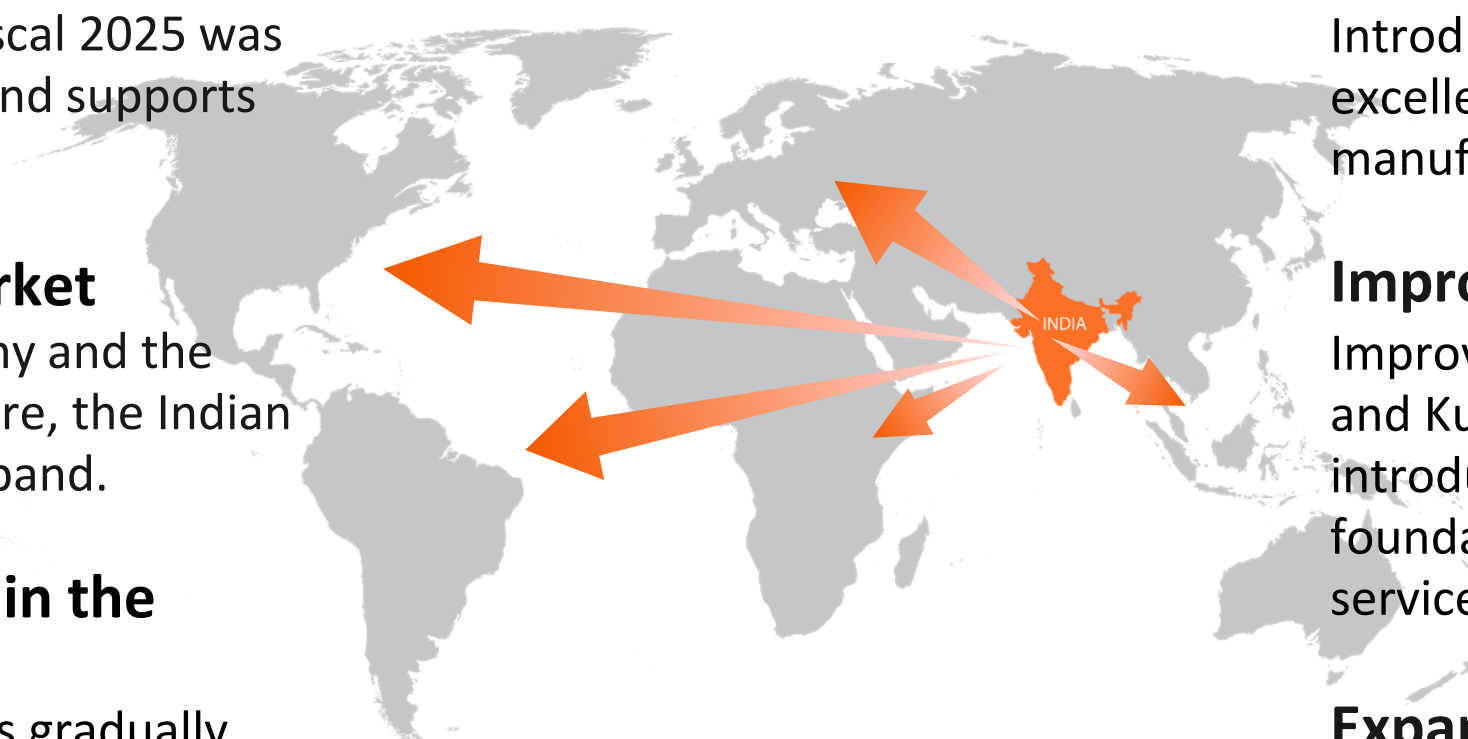
Real GDP growth in the first half of fiscal 2025 was recorded at 8%. Solid domestic demand supports the business environment.

#### The world's largest tractor market

With the development of the economy and the increasing mechanization of agriculture, the Indian market is expected to continue to expand.

#### Expansion of the basic market in the global market

In Europe, demand for basic models is gradually expanding. In Africa, Latin America and other countries, the rate of agricultural mechanization is low, and government subsidies and international aid are expected to boost the basic tractor market.



### Key Strategies

#### Strengthening cost competitiveness

Introducing new products under the Kubota brand with excellent cost competitiveness, utilizing the R&D, manufacturing, and procurement resources of Escorts Kubota.

#### Improving quality and productivity

Improve costs and product quality by utilizing Escorts Kubota and Kubota's know-how. Furthermore, improve productivity by introducing the Kubota Production System (KPS) and build a foundation for the future development of high-value-added services (data, maintenance).

#### Expanding product lineup

Deepen the Indian market by expanding the lineup of each of our three brands: Farmtrac, Powertrac and Kubota, and reorganizing and strengthening our sales channels.



# 3. Mid-Term Business Plan 2030

## (1) Selection and concentration of management resources

### ③ Lifecycle Support Business: Deepening the business foundation by maximizing customer value

We will deepen our relationships with customers throughout the product lifecycle and strengthen the sources of "Customer Value," "Customer Choice," and "Competitive Advantage."



#### 1. The Source of Customer Value: Increasing customer loyalty and building long-term relationships

- Predictive maintenance and remote diagnostic support using telematics **maximize the uptime of customers' machines.**
- Service programs such as extended warranties and maintenance contracts **minimize TCO (total cost of ownership).**



#### 2. The Source of Customer Choice: Strengthening expansion strategy in the parts business

- Pricing strategy: Maximize revenue through strategic pricing (sharp balance of consumables and functional parts) with a focus on market competitiveness.
- Product strategy: Expand our lineup of K3R (Kubota's second brand of genuine parts) and locally adopted parts to meet all customer needs.
- Sales channel strategy: Develop omnichannel that combines dealers (real) and online (e-commerce marketplaces).



#### 3. The Source of Competitive Advantage: Strengthen the business foundation

- Parts SCM: Streamline the global parts supply network to achieve timely supply to customers and cost advantages.
- System/DX: Integrate parts information infrastructure globally and promote demand forecasting accuracy and operational efficiency through the use of AI and IoT.

# 3. Mid-Term Business Plan 2030

## (1) Selection and concentration of management resources

### ④North American Tractor: Fundamental reform of the compact tractor, mower and UV business

In addition to strengthening the added value of highly competitive M-type (utility) tractors, we will strengthen our competitiveness in the compact tractor, mower and UVs and aim to strengthen our business viability in the largest and most important markets.

- Recognition of Issues
- Intensifying price competition due to the rise of Asian brands
  - Pressure on profitability by rising costs due to inflation and high interest rates and delays in product introduction

Shifting from a market share-driven policy to a profitability-driven policy

Aim to achieve sustainable profit growth in North American business

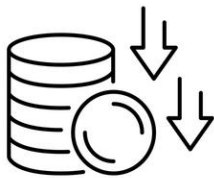
## Key Initiatives

Four strategic pillars



### (1) Restructuring product and cost competitiveness

- Introduce new products with high market needs early.
  - Improve cost competitiveness by promoting GIT\* projects and utilizing resources in India.
  - Optimize product portfolio by improving profitability and reducing the type of unprofitable model.
- \*GIT(Global Innovative Tractor)



### (2) Reduction of working capital

- Promote area SCM through S&OP optimization.
- Reduce North American product inventory months by 30% by 2030.



### (3) Reviewing of incentive programs

- From long-term 0% financing to short-term 0% and long-term financing with interest.
- Shift to a business model that does not heavily rely on retail finance.



### (4) Building a foundation for future growth

- Consider the solution business (smart garden management, etc.) for business customers (Prosumer).



## 3. Mid-Term Business Plan 2030

### (1) Selection and concentration of management resources

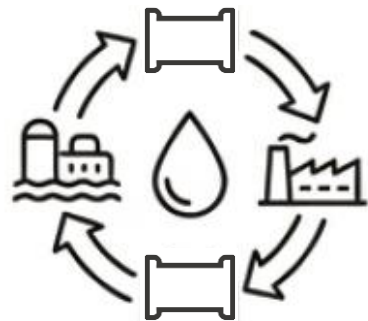
## ⑤ Water and Environment Business: Contributing to social infrastructure and expanding growth areas

With total solutions centered on products and technologies,  
we aim to be a top player in the domestic water and environment market.

### Strengthening of Fundamental Businesses

- Improve profit margins in the O&M business (improving productivity through centralized monitoring and DX utilization)
- Improve profitability in the pipeline products business (price optimization and efficiency)
- Capture growth in the global petrochemical market and expand the cracking tube business by differentiating

### Four Key Growth Drivers



#### 1. Water Circulation Solutions

Leveraging the advantages of pipelines and facilities, we are developing the PPP (public-private partnership) market. **Built the de facto standard** for water pipeline systems.



#### 2. Resource Circulation Business

With melting technology at its core, **we will enter new markets such as waste treatment PPP** and PFAS support.



#### 3. Water and Environment Overseas

We are rebuilding the portfolio by focusing resources on key regions (North America, ASEAN) and products.



#### 4. Carbon Neutrality

Utilizing existing technologies, **we will advance into new fields** such as **hydrogen production** and **battery anode materials**.

# 3. Mid-Term Business Plan 2030

## (1) Selection and concentration of management resources

### ⑥ European Agricultural Machinery: Return to strengths (selection and concentration)

We will improve profitability by abandoning the "volume-driven" approach in our large-scale upland farming business and controlling it to an appropriate scale. At the same time, we will improve our overall business portfolio by reallocating resources to strategic areas for the future, such as concentrating sales resources in highly profitable areas and consolidating models.

Recognition of Issues

- Competition of a machine aimed at labor-saving and sales networks is accelerating
- The rise of low-cost Indian models is shaking the position in the compact tractor business

We will break away from full line-up principle and self-reliance principle, and strive to improve investment efficiency by controlling input resources and fixed costs.

## Key Initiatives Three strategic pillars



### (1) Restructuring product and cost competitiveness

- Expand narrow tractor sales in the specialty crop market.



### (2) Optimization of production and supply systems

- Reduce fixed costs significantly through bold review of reassembly and logistics.



### (3) Building a foundation for future growth

- Recover lost ground without sacrificing profitability through the introduction of Escorts Kubota tractors in India.



# 3. Mid-Term Business Plan 2030

## (1) Selection and concentration of management resources

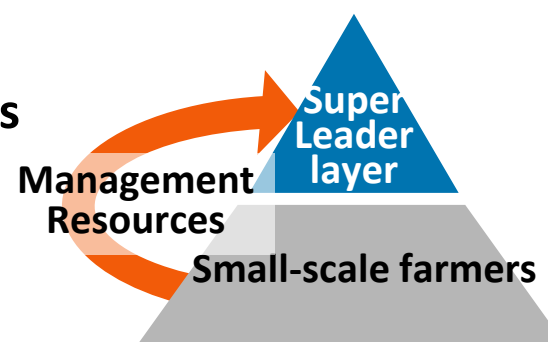
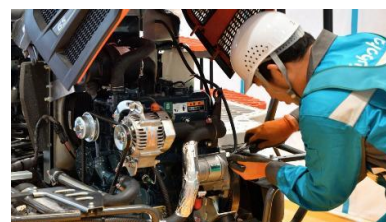
### ⑦ Domestic Agricultural Machinery: Establishing a profit base through business structure reform “Supporting the people who support agriculture continuously”

In response to structural changes in the market — such as maintaining production volume and the declining number of agricultural workers — we will shift our business model to the aftermarket and solutions as core revenue pillars in addition to product sales.

**Basic Strategy:** Based on the premise of market contraction, we will implement **Business Portfolio Transformation, Business Model Transformation and New Value Creation.**

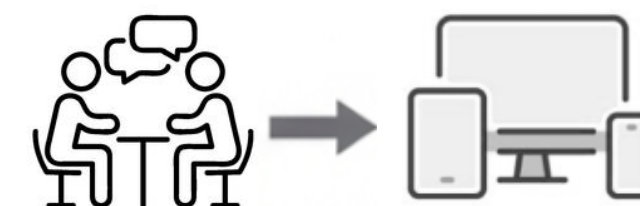
#### 1. Business Portfolio Transformation

- **Expansion of maintenance business**  
Turn the aftermarket into the largest growth area.
- **Strengthening the ability of leaders to respond**  
**concentrate management resources on SP leaders**  
Improve profitability with smart agricultural equipment and KSAS solutions. Thoroughly rationalize for small farmers.
- **Expansion of Smart Agricultural Machinery Business**  
With smart agricultural machinery and KSAS solutions, enhance profitability by increasing customer value.



#### 2. Business Model Transformation

Shift from the traditional door-to-door and product sales type to a solution proposal type using digital technology.



#### 3. New Value Creation (Data Monetization)

Utilizing KSAS's big data (50% coverage target of farmland nationwide), we monetize new businesses such as J-credit\* creation support and agricultural product distribution (rice export).

\*A government-certified system that quantifies and verifies greenhouse gas (GHG) emission reductions and absorption (carbon sinks) in Japan.



# 3. Mid-Term Business Plan 2030

## (1) Selection and concentration of management resources

“Focus & Breakthrough”: Strengthening and Creating Business through "Ambidextrous Management"

### Deepening: Refinement of Existing Businesses

#### Selection and concentration of management resources

Construction Machinery Business



Business & Projects from India



Lifecycle Support Business



North American Tractor



Water and Environment Business



European Agricultural Machinery



Domestic Agricultural Machinery



### Exploration: Creating the Future

#### Pursuit of "Smart Value"

- Autonomous
- Connected (Data linkage and utilization)



### Strengthening the Base: Business & Projects from India



# 3. Mid-Term Business Plan 2030

## (1) Selection and concentration of management resources

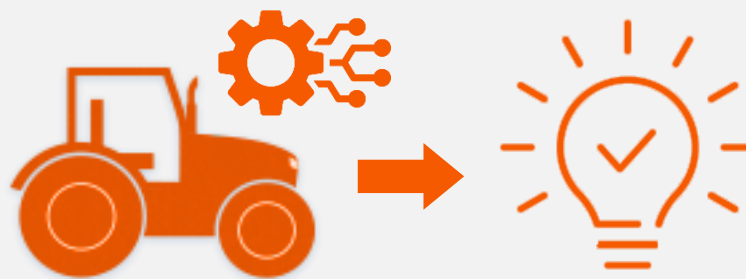
### Creating Kubota's Unique Value: Business Transformation through Products and Solutions

We will solve our customers' most important issues through the fusion of Kubota's strengths, machinery and smart technology, and achieve sustainable growth.



#### Customers' Issues

- Labor shortages and increasing difficulties in skill transfer
- Need to improve productivity and efficiency
- Response to the environment and decarbonization



#### Kubota's Solution

##### Product + Smart Technology

**Autonomous:**

Labor saving through remote control

**Connected:** Data linkage and utilization

Optimization of management based on data of machines and works

### Focus Areas



**Focusing on users (toB) who use the product to do business**

- Small scale construction
- Landscaping / gardens
- Rice and upland farming
- Specialty crops

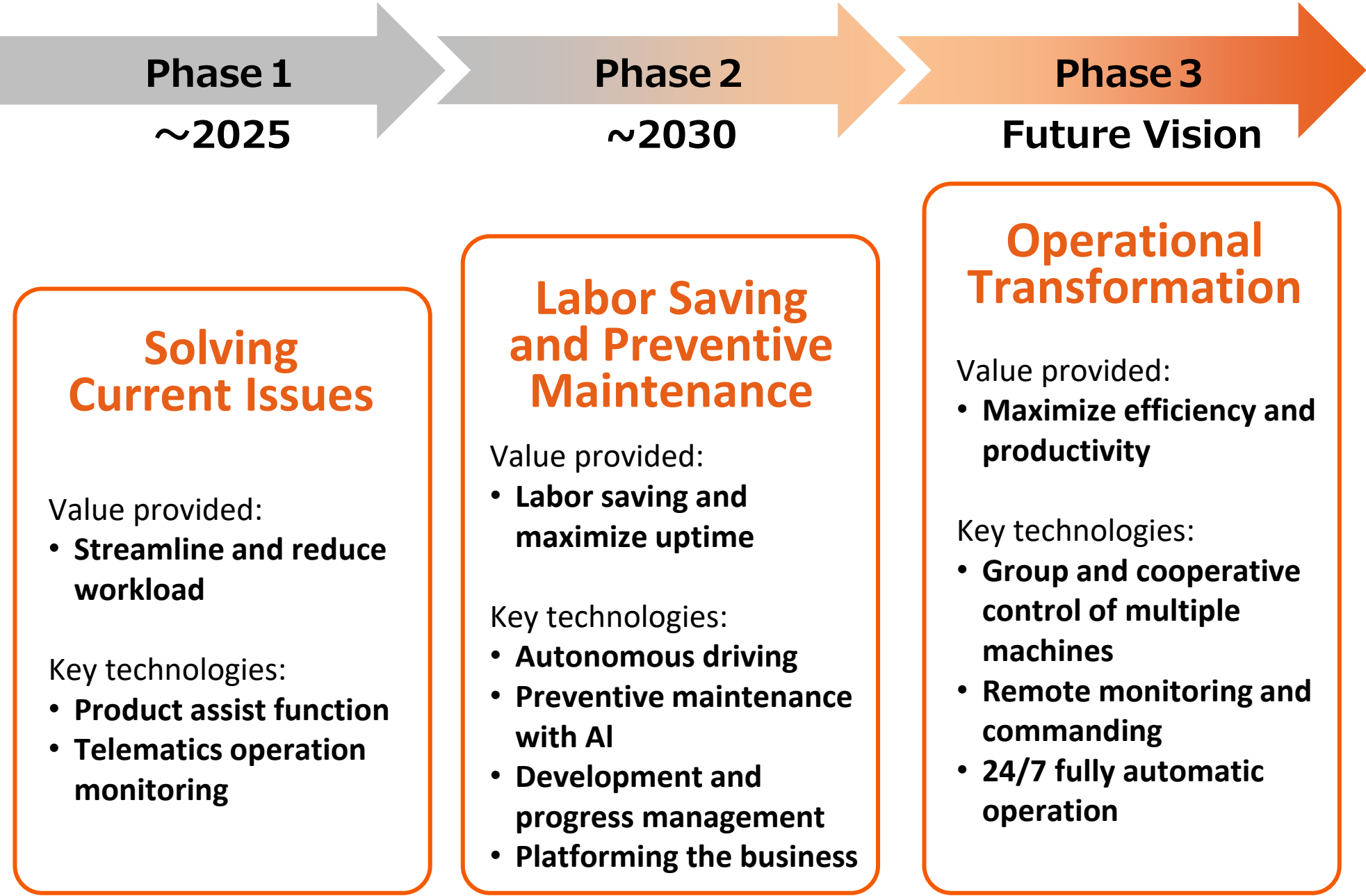
Aiming for sales of 100 billion yen in the smart solution business by 2030

# 3. Mid-Term Business Plan 2030

## (1) Selection and concentration of management resources

### Solution Evolution and Future Vision: Transforming Customer Operations

From solving current problems with assist functions to full automation through the coordinated work among multiple machines in the future, we will deepen the value we provide in stages.





An aerial photograph of a grassy field where several children are playing. A blue hose is laid out on the grass, and a child is holding it. Other children are scattered around, some sitting and some standing. The scene is bright and sunny, with shadows cast on the grass.

## **(2) Strategic financial management with a focus on the balance sheet**



# 3. Mid-Term Business Plan 2030

## (2) Strategic financial management with a focus on the balance sheet

### The outline of financial strategy: What must change

From the traditional financial target management centered on sales and profit margins,  
Shifting to **a financial strategy that focuses on balance sheets and capital efficiency**

**ROE and ROIC that consistently exceed the cost of capital**  
(2030 target: ROE 12%, ROIC 7% or more)

#### Transforming North American Operations

##### ■ Change of business operation policy in the United States

**Review the retail finance operations that does not increase the balance of financial receivables**

- Reduce dependence on retail finance on a different level.
- Minimize interest rate incentives while maintaining competitiveness (contributing to improved profitability).

**Rethink our logistic strategy to the operation that enable us to reduce inventory significantly as needed**

- Review strategy across the supply chain and reduce product inventory months by 30%.



#### Transforming Global & HQ Operations

##### ■ Optimize CAPEX

**Implement disciplined balance sheet management**

Business maintenance investments such as BCP-related investments are kept within the scope of depreciation expense and steadily executed according to priority.

- Growth investments are prioritized and allocated from cash flow.



# 3. Mid-Term Business Plan 2030

## (2) Strategic financial management with a focus on the balance sheet

### Expansion of cash flow generation capacity + strategic cash allocation

① Maximizing operating cash flow (excluding R&D expenses)...P26

- Improving profitability, reducing working capital, and curbing retail financial receivables

② Optimization of investments based on the above cash flows  
(balancing growth and capital efficiency)...P27

Capital Investment	R&D Investment	Growth and Strategic Investment in M&A and Other Activities
<ul style="list-style-type: none"><li>• Strategic allocation of capital expenditure (balanced investment)</li></ul>	<ul style="list-style-type: none"><li>• Balanced budget allocation linked to business portfolio strategy</li></ul>	<ul style="list-style-type: none"><li>• Prioritise investment in growth areas where high returns are expected</li></ul>



Expansion of FCF creation ability (900 billion yen over five years by 2030)

FCF Allocation Priorities

- Allocating the generated cash based on clear priorities
- Achieving both business growth and shareholder returns while maintaining financial soundness

1. Stable Dividends	2. Maintaining Financial Soundness	3. Proactive Share Buy Back
<ul style="list-style-type: none"><li>• Continued progressive dividends</li></ul>	<ul style="list-style-type: none"><li>• Control interest-bearing debt balances and stay competitive in financing</li></ul>	<ul style="list-style-type: none"><li>• Flexible execution according to FCF level</li><li>• Strengthening responses to improve ROE</li></ul>

③ Shift to qualitative management...P29

Switch to cash flow management and maintain ROE above capital cost

2030 Targets  
ROE 12% > cost of equity\*  
ROIC7%+>WACC\*

\*Assuming cost of equity is 7~10%

Assumptions: 2% risk-free rate, market risk premium 5~7%,  
β value 1.0~1.2

\*WACC is expected to be 5~6.5%

Assumption: Cost of equity 7%~10%,  
interest after tax debt Cost 3%

Target indicator: operating profit margin  
12.0%

Target indicator: total asset turnover ratio  
0.64times

Target indicator:  
Invested capital turnover rate  
0.83times

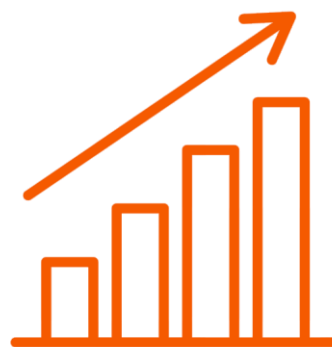
To the Next Phase (2030 -)  
Consider further improving ROE & ROIC through continuous improvement in profitability and cash flow generation

# 3. Mid-Term Business Plan 2030

## (2) Strategic financial management with a focus on the balance sheet

### ① Three levers to maximize operating cash flow

#### Improving profitability



#### Reform Business Portfolio

Allocate resources on Growth Driver businesses (Construction Machinery, Business and Service from India, Lifecycle Support Business) and reform structure of business profitability.

Target: **12% operating profit margin by 2030**

#### Compressing working capital



#### Optimize inventory and strengthen accounts receivable management

Optimize global inventory with area SCM capabilities.

Target: **Reduce product inventory months in North America by 30% by 2030**

#### Controlling retail finance receivables



#### Review financial programs

Switch sales model to an incentive-independent, such as shortening the 0% financing term in North America.

Target: **Improve retail finance receivables turnover period and reduce total asset turnover to 0.64 times**

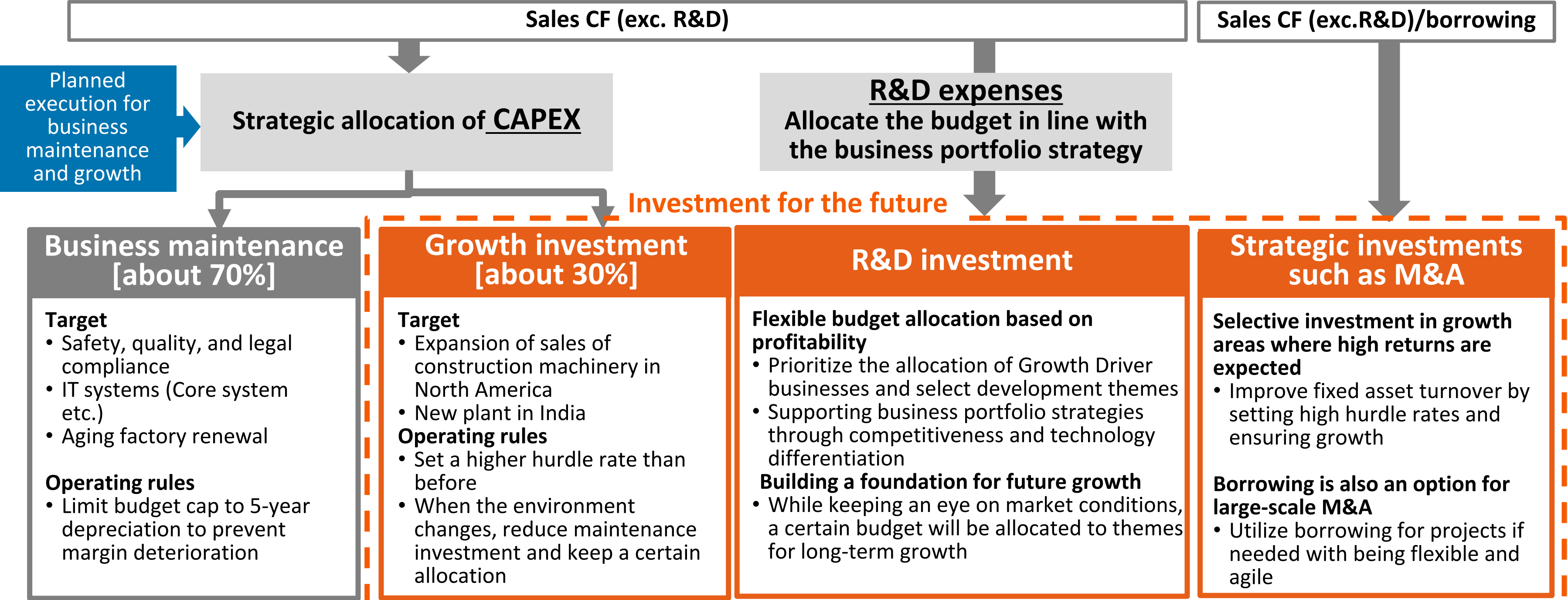


# 3. Mid-Term Business Plan 2030

## (2) Strategic financial management with a focus on the balance sheet

### ② Optimization of investment based on operating cash flow (balancing growth and capital efficiency)

Leveraging the business foundation built through large-scale growth investments to date, we will accelerate the shift from "quantity" to "quality" in investment. Regarding growth investment, we will narrow down the top priority areas where we can leverage our established foundation and achieve both growth and capital efficiency at a high level.



# 3. Mid-Term Business Plan 2030

## (2) Strategic financial management with a focus on the balance sheet

### Coexistence of strategic investment and financial discipline

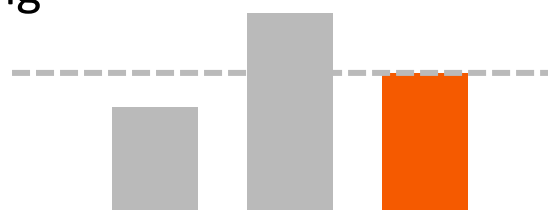
While investment for the future will be continued firmly, we aim to enhance the operating profit margin by steadily controlling fixed costs in addition to improving revenue from the business portfolio through “Focus.”



#### Capital Investment

We will break away from individual optimization and thoroughly allocate strategic investment from the perspective of overall optimization led by HQ.

- Balanced allocation between growth and business maintenance investments
- Strengthen return with higher hurdle rate for investment and keep disciplined operation with monitoring



Annual investment amount  
180 billion yen scale



#### R&D Expenses

Align with business portfolio strategy and allocate budgets in a balanced manner according to business contribution.

- Implement flexible budget allocation based on profitability
- Prioritize the allocation of Growth Driver business and select themes of R&D
- Secure a certain budget for prior research



Annual investment amount  
100 billion yen scale



#### SGA

Contain cost increases below revenue growth by implementing disciplined expense management and organizational efficiency.

- Control cost growth less than inflation
- Streamline and integrate organisation and improving operational efficiency



Cost increase rate  
Less than 3% per annum

#### The foundation that supports execution

The responsibility and authority of each function are clarified by the CxO system to achieve highly effective cost management.  
The number of consolidated employees will be maintained at an appropriate level to maximize productivity.







### **(3) A robust global foundation to support future growth**



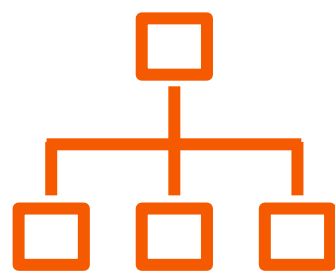
# 3. Mid-Term Business Plan 2030

## (3) A robust global foundation to support future growth

Establishing an agile and resilient management system that can support leading business in the global market

### "Toward Kubota's unique global management"

We will accelerate decision-making, reform human resources and culture that encourage challenges, and strengthen supply chains to enhance our ability to execute strategies.



#### Organization and Governance

- **Full-scale introduction of the CxO system:**  
Under the direction of the CEO, the person in charge of each function (CxO) will take on the responsibility of each function globally. We will increase the speed of decision-making and clarify responsibilities.
- **Introduction of an internal company system:**  
Strengthen the independence of water and environment business and promote operations independently.
- **Business integration of indirect departments:**  
Transfer some of the headquarters functions to business units to streamline the organization. Built a system that directly supports the business close to the site.



#### Human Resources and Corporate Culture

- **Actively utilizing global human resources:**  
Incorporate overseas human resources into global strategy and decision-making.
- **Building a culture that encourages challenges:**  
Evolve a human resources strategy that can assist employees to reinvest the time generated by digital technologies such as AI into the challenges and growth.
- **Evolution of Kubota's unique strengths (DNA):**  
Accelerate the evolution of the DNA that has generated Kubota's growth so far, and create our new value and business.
- **K-ESG management:**  
Solving social issues and contributing to a sustainable future.



#### Global Supply Chain

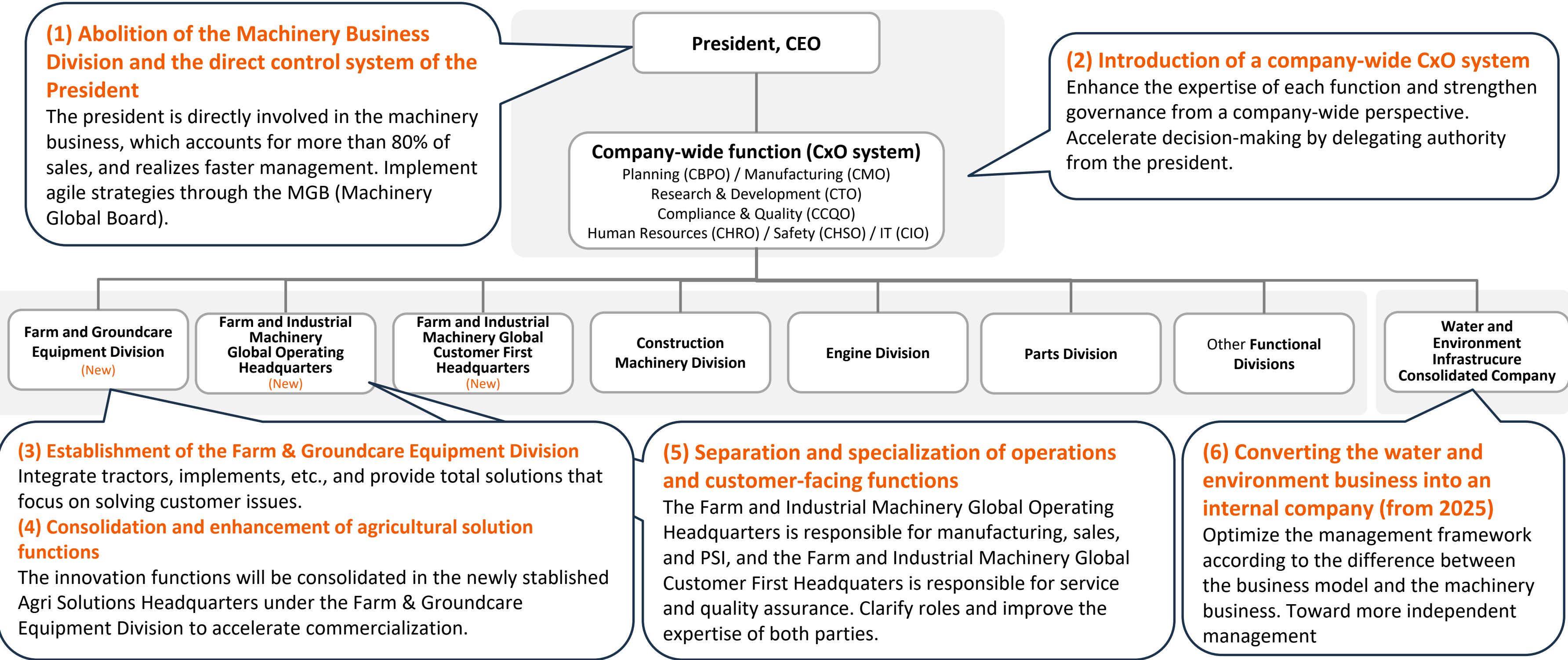
- **Shift to production at optimal site :**  
Shift from traditional local production for local consumption to production at optimal site that takes into account costs and risks. It also supports the block economy.
- **Strategic use of the sourcing network of India:**  
Reduce costs and diversify suppliers.
- **Strengthen risk management:**  
Diversify suppliers and conduct thorough human rights due diligence in light of geopolitical and economic security risks (such as tariffs).

# 3. Mid-Term Business Plan 2030

(3) A robust global foundation to support future growth

## New management system to accelerate decision-making and improve customer value

More agile and strong management foundation by balancing business expertise with company-wide optimization.





# 3. Mid-Term Business Plan 2030

## (3) A robust global foundation to support future growth

### The foundation that supports sustainable growth: Human capital strategy

Realizing a sustainable corporate value through strategic investment in people who lead major transformation.



#### Developing global human resources (ensuring sustainable growth)

We will break away from the conventional Japan-centered system and build a solid management foundation that supports business continuity and growth.

- **Ensuring management sustainability:** Reduce management risks by introducing succession plans for important posts and systematically developing and assigning the next generation of management leaders.
- **Participation of overseas human resources:** Promote the participation of overseas human resources in global management.



#### Productivity innovation through DX and AI (improvement of profitability)

We will strengthen investment in people as the source of innovation and realize reform of the profit structure.

- **Shift to high added value:** Thoroughly improve operational efficiency through the use of DX and AI and reallocate the resources created to growth areas.
- **Development of innovative human resources:** Through the establishment of the "Kubota Global AI Academy", we will raise the level of digital skills across the company, deepen existing businesses, and accelerate the creation of new solutions.

#### Contribution to Corporate Value Enhancement.

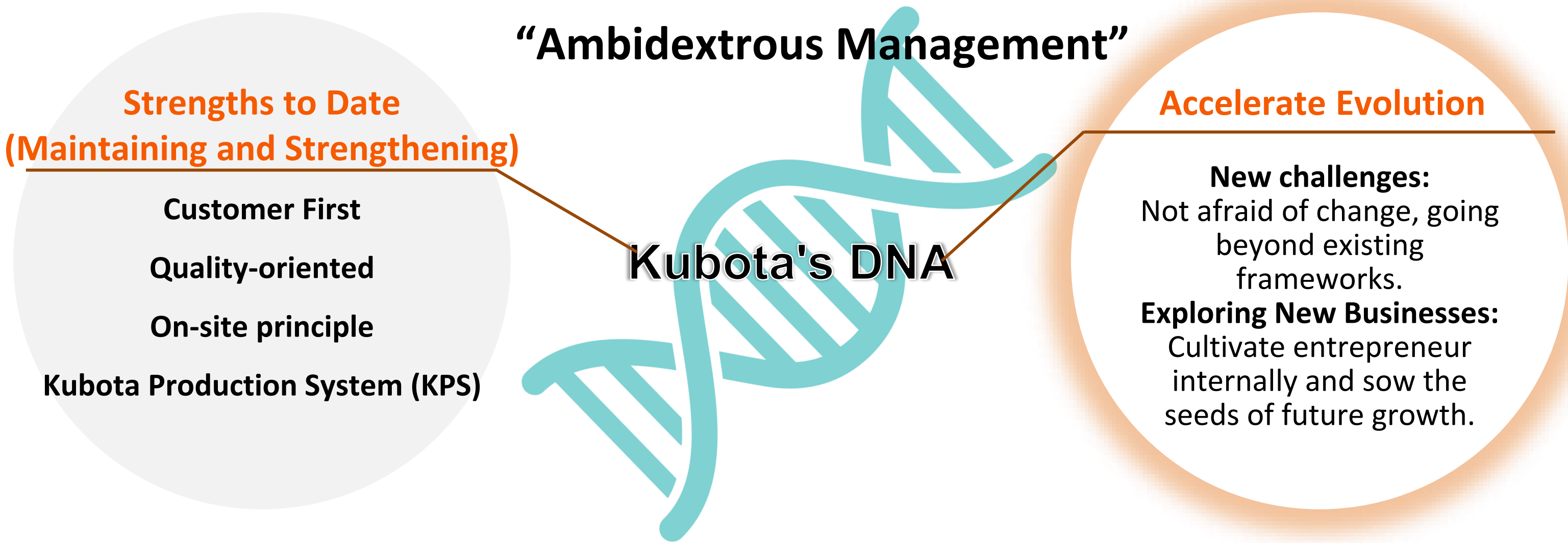
By strengthening governance and ensuring business continuity to stabilize management, and by enhancing productivity and accelerating innovation, we will directly contribute to improving operating profit margins and creating future growth opportunities.

# 3. Mid-Term Business Plan 2030

(3) A robust global foundation to support future growth

## Foundations for Sustainable Growth: Corporate Culture, DNA, and its Evolution

We will place Kubota's unique strengths (DNA) at the core of the management foundation that supports our business strategy and accelerate its evolution.



These **inherent strengths** are the source of Kubota's value.  
To increase added value and **recover and improve our earning power**,  
we will further hone this competitive advantage and evolve our entire management foundation.



# 3. Mid-Term Business Plan 2030

(3) A robust global foundation to support future growth

## K-ESG Management: Contributing to a Sustainable Future at the Heart of Business

Kubota's business activities contribute to solving social issues and are the practice of ESG management.

E



### Environment

Business activities that coexist with the earth

- **Resource circulation solutions:** Utilize melting technology and other technologies to contribute to the value conversion of waste.
- **Strengthening water infrastructure:** Provide pipeline renewal and efficient water management systems.
- **Challenge to carbon neutrality:** Promote hydrogen production-related technologies and contribute to society's GHG reduction.

S



### Social & Stakeholders

Fostering empathy through social connections

- **Investing in human resources and creating a challenging culture :** Develop global human resources and respect diversity.
- **Dialogue with stakeholders and improvement of corporate value:** Improve corporate value through active dialogue by top management.

G



### Governance

Robust management foundation to support sustainable growth

- **Strengthening the global compliance system:** Develop a system that can promote independent management in each region.
- **Strengthening cybersecurity:** Build a defense against cyber attacks as an important management issue to ensure business continuity.
- **Speeding up decision-making and clarifying responsibilities:** Strengthen the management system by introduction of company-wide CxO system.

# 3. Mid-Term Business Plan 2030

## (3) A robust global foundation to support future growth

### Strengthening Global Supply Chains: Building an Agile and Resilient Business Foundation

By comprehensively evaluating regional business environments, product characteristics, costs, and geopolitical factors such as tariffs and trade regulations, and by regularly reassessing the optimal locations, we will build a robust and flexible production and procurement structure capable of adapting to block-economy trends and external environmental changes.

#### Basic Policy: From local production for local consumption to "optimal production"

##### Realization of the area SCM concept

###### From individual optimization to overall optimization by area

We are moving away from site-by-site management and going to build a supply chain centered on the area SCM headquarters (Japan, North America, Europe, India, and ASEAN).

###### Achieving both overall inventory optimization and supply stability

By integrating and adjusting production plans in the area and optimizing inventory locations between bases, we will achieve both a stable supply to customers and a reduction in total inventory.



##### Building a sustainable procurement system

###### Build a procurement layout that can be freely supplied

We will build a balanced procurement system that combines global optimal procurement with local production for local consumption, and diversify risks by avoiding unipolar concentration in specific countries.

###### Efficiency through the promotion of global standards

We promote global standardization of Kubota standards, including the use of gateway warehouses, material management and procurement operations, and related systems, to develop suppliers and improve operational efficiency.





# Kubota's evolution begins now.

## **“Focus & Breakthrough”**

We will carry out dynamic transformation of our business and resources to win in our areas of expertise and excel in areas of growth.

## **Toward an organization that embraces challenge**

We are committed to transforming ourselves into a future-oriented organization that continually evolves, unafraid of change.

# The Era of New Kubota Begins.

## Disclaimer of Forward-Looking Statements

The earnings and forward-looking forecasts described in this document are based on the company's judgment based on information currently available and involve potential risks and uncertainties.

Accordingly, please be aware that actual results may differ materially from those described in the forward-looking statements due to changes in various factors.



# Appendix



# About the cover page

**Our three tractor brands in India  
(Kubota, Farmtrac, Powertrac)**



**Compact track loader supporting  
construction sites in North America**



**A melting furnace contributing to a circular economy**



**Smart agricultural machinery (Agri Robo) in Japan**