

[Translation]

# Semiannual Securities Report

(The First Half of the 135<sup>th</sup> Business Term)  
From January 1, 2024 to June 30, 2024

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

**Kubota Corporation**

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**Confirmation Letter**

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This is an English translation of the Semiannual Securities Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork pursuant to the Financial Instruments and Exchange Act of Japan.

The translation of the Confirmation Letter for the original Semiannual Securities Report is included at the end of this document.

For the purposes of this Semiannual 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.

# 1. Overview of the Company

## 1. Key Financial Data

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

	Six months ended June 30, 2024	Six months ended June 30, 2023	Year ended December 31, 2023
Revenue	¥ 1,579,599	¥ 1,520,040	¥ 3,020,711
Profit before income taxes	216,727	191,841	342,289
Profit attributable to owners of the parent	150,804	128,823	238,455
Comprehensive income attributable to owners of the parent	369,364	280,368	367,470
Equity attributable to owners of the parent	2,517,259	2,127,374	2,175,773
Total assets	6,080,813	5,221,235	5,359,247
Earnings per share attributable to owners of the parent:			
Basic	128.33	108.56	201.74
Diluted	—	—	—
Ratio of equity attributable to owners of the parent to total assets (%)	41.4	40.7	40.6
Net cash provided by (used in) operating activities	129,374	(98,123)	(17,273)
Net cash used in investing activities	(125,844)	(97,801)	(173,441)
Net cash provided by financing activities	46,823	153,651	178,404
Cash and cash equivalents, at the end of the period	286,983	193,349	222,118

### (Notes)

1. The condensed consolidated financial statements and the consolidated financial statements are prepared in accordance with IFRS Accounting Standards.
2. The nonconsolidated key financial data is not presented since the Company prepares the condensed consolidated financial statements.
3. Amounts less than presentation units are rounded to the nearest unit.
4. *Earnings per share attributable to owners of the parent—Diluted* is not stated since Kubota Corporation did not have potentially dilutive common shares that were outstanding.

## 2. Description of Business

There were no material changes in the Company's business nor were there any material changes in associates during the six months ended June 30, 2024.

## 2. Business Overview

### 1. Risk Factors

For the six months ended June 30, 2024, there were no major risks that the management recognizes as having the potential to materially affect the consolidated financial position, results of operations, and cash flows (hereinafter, “results of operations”) presented in “2. Business Overview” or “4. Financial Information.”

There were no material changes in the information described in the Risk Factors section of the Annual Securities Report for the year ended December 31, 2023.

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

#### (1) Analysis of Results of Operations

For the six months ended June 30, 2024, revenue of the Company increased by ¥59.6 billion [3.9%] from the same period in the prior year to ¥1,579.6 billion.

Domestic revenue decreased by ¥9.4 billion [3.0%] from the same period in the prior year to ¥305.7 billion because of decreased revenue from Farm & Industrial Machinery, Water & Environment and Other.

Overseas revenue increased by ¥68.9 billion [5.7%] from the same period in the prior year to ¥1,273.9 billion because of increased revenue from Farm & Industrial Machinery and Water & Environment.

Operating profit increased by ¥22.8 billion [12.3%] from the same period in the prior year to ¥207.3 billion mainly due to favorable effects from exchange rate fluctuation and price increase although there were some negative factors, such as decreased sales in mostly Europe of Farm & Industrial Machinery and increased cost in sales incentive. Profit before income taxes increased by ¥24.9 billion [13.0%] from the same period in the prior year to ¥216.7 billion. Profit for the period increased by ¥24.0 billion [17.1%] to ¥164.1 billion, reflecting income tax expenses of ¥53.4 billion and share of profits of investments accounted for using the equity method of ¥0.7 billion. Profit attributable to owners of the parent increased by ¥22.0 billion [17.1%] from the same period in the prior year to ¥150.8 billion.

Revenue from external customers and operating profit by each reportable segment were as follows:

#### 1) Farm & Industrial Machinery

Farm & Industrial Machinery is composed of farm equipment, agricultural-related products, engines, and construction machinery.

Revenue in this segment increased by ¥4.4% from the same period in the prior year to ¥1,403.4 billion, which accounted for 88.9% of consolidated revenue.

Domestic revenue decreased by ¥4.7% from the same period in the prior year to ¥155.2 billion mainly due to decreased sales of farm equipment and agricultural-related products.

Overseas revenue increased by ¥5.7% from the same period in the prior year to ¥1,248.2 billion along with positive effect from fluctuation of foreign exchange rates. In North America, although the sales of construction machinery increased steadily with demand for housing market and infrastructure development by the government, the Company struggled with tractor business due to stagnation in the residential market and crop prices decline. In Europe, sales of construction machinery and engines declined due to the effect of the continuous downturn in economy and investment. Tractor business also continued to be sluggish due to weak demand. In Thailand, although sales decreased due to purchasing refrain caused by the drought, the market trend turned into recovery phase. The Company struggled with India business due to the market shrink caused by concerns about yield decline as a result of short rainfall and slow economic activity due to the general election.

Operating profit in this segment increased by 8.8% from the same period in the prior year to ¥215.9 billion due to some positive factors such as favorable effects from fluctuation of foreign exchange rates and price increase although there were negative factors such as the loss caused by sales decrease mainly in Europe and increased cost in sales incentive.

## 2) 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 ¥1.2% from the same period in the prior year to ¥167.6 billion, which accounted for 10.6% of consolidated revenue.

Domestic revenue decreased by ¥0.1% from the same period in the prior year to ¥141.9 billion due to decreased sales in pipe system business and environment business although sales of industrial products business increased mainly in Materials.

Overseas revenue increased by ¥8.7% from the same period in the prior year to ¥25.7 billion due to increased sales in environment business.

Operating profit in this segment increased by ¥32.6% from the same period in the prior year to ¥13.1 billion mainly due to material price decline and price increase.

## 3) Other

Other is mainly composed of a variety of other services.

Revenue in this segment decreased by ¥15.8% from the same period in the prior year to ¥8.6 billion and accounted for 0.5% of consolidated revenue.

Operating profit in this segment decreased by ¥11.6% from the same period in the prior year to ¥1.0 billion.

## (2) Analysis of Financial Position

Total assets as of June 30, 2024, were ¥6,080.8 billion, an increase of ¥721.6 billion from the prior fiscal year-end. With respect to assets, trade receivables and finance receivables increased mainly in North America business.

Total liabilities also increased from the prior fiscal year-end mainly due to an increase in bonds and borrowings as a result of the issuance of bonds in North America business. Equity increased due to the accumulation of retained earnings and an improvement in other components of equity along with fluctuations mainly in foreign exchange rates.

The ratio of equity attributable to owners of the parent to total assets stood at 41.4%, 0.8 percentage points higher than the prior fiscal year-end.

## (3) Analysis of Cash Flows

Net cash provided by operating activities during the six months ended June 30, 2024, was ¥129.4 billion, an increase of ¥227.5 billion in net cash inflow compared with the same period in the prior year. This increase resulted from improvement of working capital.

Net cash used in investing activities was ¥125.8 billion, an increase of ¥28.0 billion in net cash outflow compared with the same period in the prior year. This increase resulted mainly from the acquisition of property, plant, and equipment due to capital expenditure and acquisition of intangible assets.

Net cash provided by financing activities was ¥46.8 billion, a decrease of ¥106.8 billion in net cash inflow compared with the same period in the prior year due to 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 June 30, 2024, were ¥287.0 billion, an increase of ¥64.9 billion from the beginning of the current period.

## (4) Issues to Address on Business and Finance

There were no material changes with respect to issues to be addressed in the six months ended June 30, 2024, and no additional issues arose during the period.

## (5) Research and Development

The Company's research and development expenses for the six months ended June 30, 2024, were ¥51.1 billion.

There were no material changes in the Company's research and development activities during the six months ended June 30, 2024.

## 3. Material Contracts

There were no material contracts which were decided or entered into during the six months ended June 30, 2024.

### 3. 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) (June 30, 2024)	Number of shares issued as of filing date (shares) (August 9, 2024)	Stock exchange on which Kubota Corporation is listed	Description
Common shares	1,176,666,846	1,176,666,846	Tokyo Stock Exchange (the Prime Market)	The number of shares per one unit of shares is 100 shares.
Total	1,176,666,846	1,176,666,846	—	—

##### (2) Information on Share Acquisition Rights

##### 1) Details of Stock Option Plan

Not applicable.

##### 2) Details of Other Stock Acquisition Rights

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)
From : January 1, 2024						
To : June 30, 2024	—	1,176,666	¥ —	¥ 84,130	¥ —	¥ 73,117

## (5) Major Shareholders

(As of June 30, 2024)

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	181,284	15.41
Custody Bank of Japan, Ltd. (Trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo, JAPAN	63,897	5.43
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo, JAPAN	62,542	5.32
Meiji Yasuda Life Insurance Company	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, JAPAN	59,929	5.09
Sumitomo Mitsui Banking Corporation	1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, JAPAN	36,006	3.06
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo, JAPAN	31,506	2.68
BNYM AS AGTCLTS NON TREATY JASDEC (Standing proxy: MUFG Bank, Ltd.)	240 Greenwich Street, New York, New York, 10286, USA (7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, JAPAN)	24,937	2.12
STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, Massachusetts, 02171, USA (15-1, Konan 2-chome, Minato-ku, Tokyo, JAPAN)	20,480	1.74
MUFG Bank, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, JAPAN	18,156	1.54
Custody Bank of Japan, Ltd. – Sumitomo Mitsui Trust Bank, Ltd. Retirement Benefit Trust Account	8-12, Harumi 1-chome, Chuo-ku, Tokyo, JAPAN	17,872	1.52
<b>Total</b>	<b>–</b>	<b>516,612</b>	<b>43.91</b>

## (Notes)

- Treasury shares, which are deducted when calculating the *ownership percentage to the total number of issued shares*, do not include 1,122 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), Custody Bank of Japan, Ltd. (Trust account), and Custody Bank of Japan, Ltd. - Sumitomo Mitsui Trust Bank, Ltd. Retirement Benefit Trust Account are invested as their fiduciary services.
- The change report pertaining to the large shareholding report by Mizuho Bank, Ltd. dated April 22, 2022, 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 June 30, 2024. A summary of the report as of April 15, 2022, is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
Mizuho Bank, Ltd.	31,506	2.62
Mizuho Securities Co., Ltd.	2,014	0.17
Asset Management One Co., Ltd.	31,855	2.65
<b>Total</b>	<b>65,376</b>	<b>5.45</b>

- The change report pertaining to the large shareholding report by BlackRock Japan Co., Ltd. dated November 4, 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 June 30, 2024. A summary of the report as of October 31, 2022, is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
BlackRock Japan Co., Ltd.	20,655	1.73
Aperio Group, LLC	1,371	0.12
BlackRock (Netherlands) B.V.	2,885	0.24
BlackRock Fund Managers Ltd.	3,705	0.31
BlackRock Asset Management Ireland Ltd.	10,445	0.88
BlackRock Fund Advisors	17,612	1.48
BlackRock Institutional Trust Company, N.A.	13,938	1.17
BlackRock Investment Management (UK) Ltd.	1,900	0.16
<b>Total</b>	<b>72,515</b>	<b>6.09</b>



5. 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 June 30, 2024. 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

6. The change report pertaining to the large shareholding report by Sumitomo Mitsui Trust Bank, Ltd. dated December 21, 2023, is available for public inspection. However, the information in the reports is not stated in the preceding table since Kubota Corporation has not confirmed the actual status of shareholdings as of June 30, 2024. A summary of the report as of December 15, 2023, is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
Sumitomo Mitsui Trust Bank, Ltd.	19,572	1.66
Sumitomo Mitsui Trust Asset Management Co., Ltd.	31,708	2.68
Nikko Asset Management Co., Ltd.	27,662	2.34
Total	78,942	6.68

7. The change report pertaining to the large shareholding report by Mitsubishi UFJ Financial Group, Inc. dated July 29, 2024, is available for public inspection. However, the information in the reports is not stated in the preceding table, except for MUFG Bank, Ltd., since Kubota Corporation has not confirmed the actual status of shareholdings as of June 30, 2024. A summary of the report as of July 22, 2024, is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
MUFG Bank, Ltd.	18,156	1.54
Mitsubishi UFJ Trust and Banking Corporation	28,779	2.45
MUFG Securities EMEA plc	1,400	0.12
Mitsubishi UFJ Asset Management Co., Ltd.	11,115	0.94
Total	59,450	5.05

## (6) Information on Voting Rights

## 1) Issued Shares

(As of June 30, 2024)

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:	24,300	—	—
	(Crossholding shares) Common shares:	718,400	—	—
Shares with full voting rights (others)	Common shares:	1,175,321,100	11,753,211	—
Shares less than one unit	Common shares:	603,046	—	Shares less than one unit (100 shares)
Number of issued shares		1,176,666,846	—	—
Total number of voting rights		—	11,753,211	—

(Note)

The *Shares with full voting rights (others)* includes 1,000 shares (10 voting rights) registered in the name of Japan Securities Depository Center, Incorporated, and 1,122,522 shares (11,225 voting rights) held by the trust in connection with the stock compensation plan.

## 2) Treasury Shares

(As of June 30, 2024)

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 (%)
<b>(Treasury shares)</b>					
Kubota Corporation	2-47, Shikitsuhigashi 1- chome, Naniwa-ku, Osaka, JAPAN	24,300	—	24,300	0.00
<b>(Crossholding shares)</b>					
Akita Kubota Corporation	295-38, Terauchikamiyashiki, Akita-shi, Akita, JAPAN	41,400	—	41,400	0.00
Minami Tohoku Kubota Corporation	16-1, Takakura Sugishita, Hiwadamachi, Koriyama-shi, Fukushima, 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, JAPAN	566,000	—	566,000	0.05
Total crossholding shares	—	718,400	—	718,400	0.06
Total	—	742,700	—	742,700	0.06

(Note)

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

## 2. Changes in Directors and Senior Management

There were no changes in Directors and senior management during the period from the filing date of the Annual Securities Report for the year ended December 31, 2023, to June 30, 2024.

(Reference Information)

Kubota Corporation has adopted the Senior Executive Officer and Executive Officer System. The change in Senior Executive Officers and Executive Officers who do not concurrently serve as Directors during the period from the filing date of the Annual Securities Report for the year ended December 31, 2023, to June 30, 2024, is as follows:

New company and position and responsibility	Former company and position and responsibility	Name	Date of change
Executive Officer of Kubota Corporation	Deputy Managing Director of Escorts Kubota Limited, President of Escorts Kubota India Private Limited	Seiji Fukuoka	April 1, 2024

## 4. Financial Information

### 1. Condensed Consolidated Financial Statements

Kubota Corporation and Its Subsidiaries

#### (1) Condensed Consolidated Statement of Financial Position

(Unit: millions of yen)

	Notes	June 30, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥	286,983	¥ 222,118
Trade receivables		1,101,023	945,490
Finance receivables		639,909	552,419
Other financial assets	6	113,352	83,018
Contract assets		23,179	47,669
Inventories		718,217	668,048
Income taxes receivable		15,407	5,763
Other current assets		65,811	55,846
Total current assets		2,963,881	2,580,371
<b>Noncurrent assets:</b>			
Investments accounted for using the equity method		46,828	46,523
Finance receivables		1,528,407	1,349,047
Other financial assets	6	224,097	188,654
Property, plant, and equipment		806,938	727,061
Goodwill		163,662	145,715
Intangible assets		202,464	187,000
Deferred tax assets		104,636	96,091
Other noncurrent assets		39,900	38,785
Total noncurrent assets		3,116,932	2,778,876
<b>Total assets</b>	¥	<b>6,080,813</b>	¥ <b>5,359,247</b>

(Unit: millions of yen)

	Notes	June 30, 2024	December 31, 2023
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities:</b>			
Bonds and borrowings		¥ 808,105	¥ 663,294
Trade payables		306,424	300,902
Other financial liabilities	7	99,954	93,270
Insurance contract liabilities		61,273	51,333
Income taxes payable		32,106	29,706
Provisions		81,015	77,191
Contract liabilities		40,533	33,043
Other current liabilities	8	281,847	244,323
<b>Total current liabilities</b>		<b>1,711,257</b>	<b>1,493,062</b>
<b>Noncurrent liabilities:</b>			
Bonds and borrowings	9	1,450,845	1,326,913
Other financial liabilities	7	41,121	44,701
Retirement benefit liabilities		16,495	15,907
Deferred tax liabilities		68,303	55,653
Other noncurrent liabilities	8	7,374	6,944
<b>Total noncurrent liabilities</b>		<b>1,584,138</b>	<b>1,450,118</b>
<b>Total liabilities</b>		<b>3,295,395</b>	<b>2,943,180</b>
<b>Equity:</b>			
Equity attributable to owners of the parent:			
Share capital		84,130	84,130
Share premium		97,253	97,377
Retained earnings		1,816,279	1,693,681
Other components of equity		522,347	303,794
Treasury shares		(2,750)	(3,209)
<b>Total equity attributable to owners of the parent</b>		<b>2,517,259</b>	<b>2,175,773</b>
Noncontrolling interests		268,159	240,294
<b>Total equity</b>		<b>2,785,418</b>	<b>2,416,067</b>
<b>Total liabilities and equity</b>		<b>¥ 6,080,813</b>	<b>¥ 5,359,247</b>

See notes to condensed consolidated financial statements.

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

**Six months ended June 30, 2024 and 2023**

Condensed Consolidated Statement of Profit or Loss

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

	Notes	2024	%	2023	%
<b>Revenue</b>	10	¥ 1,579,599	100.0	¥ 1,520,040	100.0
<b>Cost of sales</b>		(1,088,251)		(1,081,345)	
<b>Selling, general, and administrative expenses</b>		(287,029)		(260,525)	
<b>Other income</b>		11,547		12,720	
<b>Other expenses</b>		(8,522)		(6,316)	
<b>Operating profit</b>		207,344	13.1	184,574	12.1
<b>Finance income</b>		12,575		9,570	
<b>Finance costs</b>		(3,192)		(2,303)	
<b>Profit before income taxes</b>		216,727	13.7	191,841	12.6
<b>Income tax expenses</b>		(53,368)		(52,707)	
<b>Share of profits of investments accounted for using the equity method</b>		699		936	
<b>Profit for the period</b>		¥ 164,058	10.4	¥ 140,070	9.2

**Profit attributable to:**

Owners of the parent	¥	150,804	9.5	¥	128,823	8.5
Noncontrolling interests	¥	13,254	0.9	¥	11,247	0.7

**Earnings per share attributable to owners of the parent:** 11

Basic	¥	128.33	¥	108.56
Diluted	¥	—	¥	—

Condensed Consolidated Statement of Comprehensive Income

(Unit: millions of yen)

	Notes	2024	2023
<b>Profit for the period</b>		¥ 164,058	¥ 140,070
<b>Other comprehensive income, net of income tax:</b>			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans		(14)	134
Net change in fair value of financial assets measured at fair value through other comprehensive income		15,672	10,146
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translating foreign operations		222,453	157,740
Total other comprehensive income, net of income tax		238,111	168,020
<b>Comprehensive income for the period</b>		¥ 402,169	¥ 308,090
<b>Comprehensive income attributable to:</b>			
Owners of the parent	¥	369,364	¥ 280,368
Noncontrolling interests	¥	32,805	¥ 27,722

See notes to condensed consolidated financial statements.

**Three months ended June 30, 2024 and 2023**

## Condensed Consolidated Statement of Profit or Loss

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

	Notes	2024	%	2023	%
<b>Revenue</b>	¥	804,367	100.0	¥ 738,477	100.0
<b>Cost of sales</b>		(550,367)		(529,951)	
<b>Selling, general, and administrative expenses</b>		(150,296)		(133,727)	
<b>Other income</b>		7,434		12,205	
<b>Other expenses</b>		(6,744)		(5,498)	
<b>Operating profit</b>		104,394	13.0	81,326	11.0
<b>Finance income</b>		7,888		6,277	
<b>Finance costs</b>		(1,674)		(1,257)	
<b>Profit before income taxes</b>		110,608	13.8	86,346	11.7
<b>Income tax expenses</b>		(26,320)		(22,417)	
<b>Share of profits of investments accounted for using the equity method</b>		587		823	
<b>Profit for the period</b>	¥	84,875	10.6	¥ 64,752	8.8
<b>Profit attributable to:</b>					
Owners of the parent	¥	77,882	9.7	¥ 59,723	8.1
Noncontrolling interests	¥	6,993	0.9	¥ 5,029	0.7
<b>Earnings per share attributable to owners of the parent:</b>					
Basic	11	¥ 66.27		¥ 50.43	
Diluted		¥ —		¥ —	

## Condensed Consolidated Statement of Comprehensive Income

(Unit: millions of yen)

	Notes	2024	2023
<b>Profit for the period</b>	¥	84,875	¥ 64,752
<b>Other comprehensive income, net of income tax:</b>			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans		135	138
Net change in fair value of financial assets measured at fair value through other comprehensive income		4,626	6,856
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translating foreign operations		125,375	130,495
Total other comprehensive income, net of income tax		130,136	137,489
<b>Comprehensive income for the period</b>	¥	215,011	¥ 202,241
<b>Comprehensive income attributable to:</b>			
Owners of the parent	¥	195,751	¥ 185,656
Noncontrolling interests	¥	19,260	¥ 16,585

See notes to condensed consolidated financial statements.

## (3) Condensed Consolidated Statement of Changes in Equity

(Unit: millions of yen)

	Equity attributable to owners of the parent						Total equity attributable to owners of the parent	Noncontrolling interests	Total equity
	Notes	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares			
<b>Balance as of January 1, 2024</b>		¥ 84,130	¥ 97,377	¥ 1,693,681	¥ 303,794	¥ (3,209)	¥ 2,175,773	¥ 240,294	¥ 2,416,067
Profit for the period				150,804			150,804	13,254	164,058
Total other comprehensive income, net of income tax					218,560		218,560	19,551	238,111
Comprehensive income for the period				150,804	218,560		369,364	32,805	402,169
Transfer to retained earnings				1	(1)		—		—
Dividends paid	12			(28,207)			(28,207)	(5,532)	(33,739)
Purchases and sales of treasury shares						459	459		459
Share-based payment transactions				93			93		93
Changes in ownership interests in subsidiaries				(217)	(6)		(223)	592	369
<b>Balance as of June 30, 2024</b>		¥ 84,130	¥ 97,253	¥ 1,816,279	¥ 522,347	¥ (2,750)	¥ 2,517,259	¥ 268,159	¥ 2,785,418
<b>Balance as of January 1, 2023</b>		¥ 84,130	¥ 79,247	¥ 1,529,248	¥ 185,422	¥ (3,557)	¥ 1,874,490	¥ 227,998	¥ 2,102,488
Profit for the period				128,823			128,823	11,247	140,070
Total other comprehensive income, net of income tax					151,545		151,545	16,475	168,020
Comprehensive income for the period				128,823	151,545		280,368	27,722	308,090
Transfer to retained earnings				104	(104)		—		—
Dividends paid	12			(26,169)			(26,169)	(8,731)	(34,900)
Purchases and sales of treasury shares						(19,618)	(19,618)		(19,618)
Share-based payment transactions				54			54		54
Changes in ownership interests in subsidiaries				18,464	(215)		18,249	(17,816)	433
<b>Balance as of June 30, 2023</b>		¥ 84,130	¥ 97,765	¥ 1,632,006	¥ 336,648	¥ (23,175)	¥ 2,127,374	¥ 229,173	¥ 2,356,547

See notes to condensed consolidated financial statements.



## (4) Condensed Consolidated Statement of Cash Flows

(Unit: millions of yen)

<b>Six months ended June 30:</b>	Notes	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>			
Profit for the period	¥	164,058	¥ 140,070
Depreciation and amortization		58,246	51,256
Loss from disposal of property, plant, and equipment and intangible assets, net		553	1,719
Finance income and costs		(8,015)	(4,280)
Income tax expenses		53,368	52,707
Share of profits of investments accounted for using the equity method		(699)	(936)
Increase in trade receivables		(92,911)	(108,626)
Increase in finance receivables		(46,669)	(45,254)
Decrease in inventories		14,306	8,254
Decrease in other assets		20,404	13,275
Decrease in trade payables		(12,794)	(177,020)
Increase in other liabilities		34,231	24,324
Net changes in retirement benefit assets and liabilities		1,276	995
Other, net		(2,204)	(554)
Interest received		9,361	5,334
Dividends received		1,566	1,115
Interest paid		(3,382)	(1,960)
Income taxes paid, net		(61,321)	(58,542)
Net cash provided by (used in) operating activities		129,374	(98,123)
<b>Cash flows from investing activities:</b>			
Payments for acquisition of property, plant, and equipment		(89,671)	(79,817)
Payments for acquisition of intangible assets		(13,224)	(10,300)
Proceeds from sales of property, plant, and equipment		3,228	751
Purchase of investments accounted for using the equity method		(34)	(339)
Payments for loans receivable from associates		(16,450)	(9,500)
Collection of loans receivable from associates		17,326	10,346
Payments for time deposits		(19,035)	(7,736)
Proceeds from withdrawal of time deposits		4,060	7,579
Net (increase) decrease in restricted cash		(594)	72
Payments for acquisition of short-term investments		(9,252)	(6,652)
Proceeds from sales and redemptions of short-term investments		—	3,034
Other, net		(2,198)	(5,239)
Net cash used in investing activities		(125,844)	(97,801)
<b>Cash flows from financing activities:</b>			
Funding from bonds and long-term borrowings	9	432,579	546,246
Redemptions of bonds and repayments of long-term borrowings		(265,586)	(273,399)
Net decrease in short-term borrowings		(79,820)	(56,317)
Repayments for lease liabilities		(7,596)	(8,850)
Net increase in deposits from Group financing (within three months)		1,597	3,452
Deposits from Group financing received (over three months)		11,962	11,933
Repayments of deposits from Group financing (over three months)		(12,285)	(11,976)
Dividends paid	12	(28,207)	(26,169)
Purchase of treasury shares		(2)	(20,001)
Other, net		(5,819)	(11,268)
Net cash provided by financing activities		46,823	153,651
<b>Effect of exchange rate changes on cash and cash equivalents</b>		14,512	9,823
<b>Net increase (decrease) in cash and cash equivalents</b>		64,865	(32,450)
<b>Cash and cash equivalents, at the beginning of the period</b>		222,118	225,799
<b>Cash and cash equivalents, at the end of the period</b>	¥	286,983	¥ 193,349

See notes to condensed consolidated financial statements.

# Notes to Condensed Consolidated Financial Statements

Kubota Corporation and Its Subsidiaries

## 1. REPORTING ENTITY

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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’s products are manufactured not only in Japan, but also in overseas countries, including the United States, France, Germany, China, Thailand, and India, and sold in Japan, North America, Europe, Asia, and other area.

## 2. BASIS OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### **Compliance with IFRS Accounting Standards**

The condensed consolidated financial statements of the Company are prepared in accordance with International Accounting Standard 34 pursuant to the Article 312 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (the “Ordinance”), since the Company meets the requirements for a *Specified Company under Designated International Financial Reporting Standards* as prescribed in Article 1-2 of the Ordinance. The condensed consolidated financial statements do not contain all the information and disclosures required for a complete set of financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

### **Functional Currency and Presentation Currency**

The condensed 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 condensed 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 future periods.

Significant accounting judgments, estimates, and assumptions used in the condensed consolidated financial statements are consistent with those used in the consolidated financial statements for the previous fiscal year.

### **Changes in Presentation**

#### Condensed Consolidated Statement of Cash Flows

“Net increase in deposits from Group financing (within three months),” “Deposits from Group financing received (over three months),” and “Repayments of deposits from Group financing (over three months)” previously included in “Other, net” in cash flows from financing activities are presented separately from the year ended December 31, 2023, and for the interim reporting purposes, three months ended March 31, 2024, to improve clarity. To reflect this change in presentation, the comparative information has been retrospectively adjusted. As a result, net cash outflow of ¥7,859 million presented as “Other, net” in cash flows from financing activities in the six months ended June 30, 2023, is separately presented as net cash inflow of ¥3,452 million for “Net increase in deposits from Group financing (within three months),” net cash inflow of ¥11,933 million for “Deposits from Group financing received (over three months),” net cash outflow of ¥11,976 million for “Repayments of deposits from Group financing (over three months),” and net cash outflow of 11,268 million for “Other, net.”

## 3. MATERIAL ACCOUNTING POLICIES

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The accounting policies applied on the condensed consolidated financial statements are consistent with those applied on the consolidated financial statements for the year ended December 31, 2023.

Income taxes for the condensed consolidated financial statements are calculated based on the estimated annual effective tax rate.

#### 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 mainly manufactures and sells farm equipment, agricultural-related products, engines, and construction machinery. Water & Environment mainly 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 mainly 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 condensed consolidated financial statements.

Information by reportable segment is summarized as follows:

(Unit: millions of yen)

<b>Six months ended June 30:</b>	Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
<b>2024:</b>					
Revenue:					
External customers	¥ 1,403,401	¥ 167,592	¥ 8,606	¥ —	¥ 1,579,599
Intersegment	141	6	14,601	(14,748)	—
Total	1,403,542	167,598	23,207	(14,748)	1,579,599
Operating profit	¥ 215,855	¥ 13,112	¥ 957	¥ (22,580)	¥ 207,344
<b>2023:</b>					
Revenue:					
External customers	¥ 1,344,178	¥ 165,646	¥ 10,216	¥ —	¥ 1,520,040
Intersegment	108	25	16,132	(16,265)	—
Total	1,344,286	165,671	26,348	(16,265)	1,520,040
Operating profit	¥ 198,369	¥ 9,892	¥ 1,082	¥ (24,769)	¥ 184,574

(Unit: millions of yen)

<b>Three months ended June 30:</b>	Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
<b>2024:</b>					
Revenue:					
External customers	¥ 723,200	¥ 77,291	¥ 3,876	¥ —	¥ 804,367
Intersegment	66	2	7,734	(7,802)	—
Total	723,266	77,293	11,610	(7,802)	804,367
Operating profit	¥ 110,429	¥ 2,971	¥ 51	¥ (9,057)	¥ 104,394
<b>2023:</b>					
Revenue:					
External customers	¥ 659,179	¥ 74,689	¥ 4,609	¥ —	¥ 738,477
Intersegment	8	23	7,269	(7,300)	—
Total	659,187	74,712	11,878	(7,300)	738,477
Operating profit	¥ 90,619	¥ 875	¥ 364	¥ (10,532)	¥ 81,326

(Notes)

1. *Adjustments* include items, such as the elimination of intersegment transfers and corporate expenses, which are not allocated to any particular reportable segment. The corporate expenses included in *Adjustments* consist mainly of administration department expenses, basic research expenses, and foreign exchange gains or losses incurred by the Parent Company.
2. The aggregated amounts of operating profit are equal to those presented in the condensed consolidated statement of profit or loss. Refer to the condensed 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.

## 5. BUSINESS COMBINATION

### Six months ended June 30, 2024

Not applicable.

### Six months ended June 30, 2023

#### Finalization of the provisional accounting for the business combination

The allocation of acquisition cost of Escorts Limited (currently, Escorts Kubota Limited; hereinafter, "EKL"), which the Company acquired on April 11, 2022, was not completed as of December 31, 2022, and therefore, the provisional accounting for the business combination was applied. However, the allocation of acquisition cost has been completed during the six months ended June 30, 2023, and the amount of goodwill has been adjusted as follows based on the determined allocation of acquisition cost.

#### Assets Acquired, Liabilities Assumed, Noncontrolling Interests, and Goodwill as of the Acquisition Date

(Unit: millions of yen)

Adjusted accounts	Amount of goodwill adjusted	
Goodwill (before adjustments)	¥	139,000
Inventories		(1,434)
Property, plant, and equipment		(10,037)
Intangible assets		(72,328)
Other noncurrent assets		(1,313)
Deferred tax liabilities		21,422
Noncontrolling interests		35,156
Goodwill (after adjustments)	¥	110,466

(Notes)

- Goodwill reflects the future excess earning power expected from the business development and synergies between the Company and EKL.
- Noncontrolling interests are recognized at the proportion of the fair value of the identifiable assets and liabilities of the acquiree.

## 6. OTHER FINANCIAL ASSETS

Other financial assets are composed of the following:

(Unit: millions of yen)

	June 30, 2024		December 31, 2023	
Financial assets measured at amortized cost:				
Long-term trade accounts receivable	¥	40,439	¥	36,507
Time deposits		42,492		23,532
Restricted cash (Note)		6,858		5,381
Debt financial assets		62,410		52,201
Others		21,459		23,727
Financial assets measured at fair value through other comprehensive income:				
Equity financial assets		105,679		84,099
Financial assets measured at fair value through profit or loss:				
Debt financial assets		55,146		40,023
Derivatives		2,966		6,202
Total	¥	337,449	¥	271,672
Current assets		113,352		83,018
Noncurrent assets		224,097		188,654

(Note)

*Restricted cash* are deposits pledged as collateral that are restricted from withdrawal and advances received for public works that are restricted from usage.

## 7. OTHER FINANCIAL LIABILITIES

Other financial liabilities are composed of the following:

(Unit: millions of yen)

	June 30, 2024	December 31, 2023
Financial liabilities measured at amortized cost:		
Lease liabilities	¥ 53,963	¥ 58,009
Notes and accounts payable for capital expenditures	22,917	22,967
Deposits from Group financing	30,659	29,385
Others	23,768	21,712
Financial liabilities measured at fair value through profit or loss:		
Derivatives	9,768	5,898
<b>Total</b>	<b>¥ 141,075</b>	<b>¥ 137,971</b>
Current liabilities	99,954	93,270
Noncurrent liabilities	41,121	44,701

## 8. OTHER LIABILITIES

Other liabilities are composed of the following:

(Unit: millions of yen)

	June 30, 2024	December 31, 2023
Employment benefit obligation	¥ 64,418	¥ 62,011
Accrued expenses	55,787	52,352
Refund liabilities	126,607	97,728
Others	42,409	39,176
<b>Total</b>	<b>¥ 289,221</b>	<b>¥ 251,267</b>
Current liabilities	281,847	244,323
Noncurrent liabilities	7,374	6,944

## 9. BONDS

The details of outstanding bonds are as follows:

### Six months ended June 30, 2024

Name	Issue Date	Face value (millions of USD)	Coupon rate (%)	Maturity date
Due 2027 USD Unsecured Bonds	May 29, 2024	500	5.333	May 29, 2027

### Six months ended June 30, 2023

Name	Issue Date	Face value (millions of yen)	Coupon rate (%)	Maturity date
16 <sup>th</sup> Unsecured Bonds	April 20, 2023	¥ 70,000	0.479	April 20, 2028
17 <sup>th</sup> Unsecured Bonds	April 20, 2023	¥ 50,000	0.950	April 20, 2033
Due 2026 USD Unsecured Bonds	May 31, 2023	(millions of USD) 500	4.958	May 31, 2026

## 10. 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)

Six months ended June 30, 2024	Japan	North America	Europe	Asia outside Japan	Other area	Total
Farm equipment and engines	¥ 136,611	¥ 385,076	¥ 124,519	¥ 286,015	¥ 34,727	¥ 966,948
Construction machinery	17,266	232,867	57,565	25,155	12,405	345,258
<b>Farm &amp; Industrial Machinery</b>	<b>153,877</b>	<b>617,943</b>	<b>182,084</b>	<b>311,170</b>	<b>47,132</b>	<b>1,312,206</b>
Pipe system	59,498	92	—	1,821	—	61,411
Industrial products	20,096	4,989	1,018	6,720	2,835	35,658
Environment	62,281	645	686	5,024	1,887	70,523
<b>Water &amp; Environment</b>	<b>141,875</b>	<b>5,726</b>	<b>1,704</b>	<b>13,565</b>	<b>4,722</b>	<b>167,592</b>
<b>Other</b>	<b>8,604</b>	<b>—</b>	<b>—</b>	<b>2</b>	<b>—</b>	<b>8,606</b>
Revenue recognized from:						
Contracts with customers	304,356	623,669	183,788	324,737	51,854	1,488,404
Other sources of revenue	1,347	69,245	—	19,191	1,412	91,195
<b>Total</b>	<b>¥ 305,703</b>	<b>¥ 692,914</b>	<b>¥ 183,788</b>	<b>¥ 343,928</b>	<b>¥ 53,266</b>	<b>¥ 1,579,999</b>

(Unit: millions of yen)

Six months ended June 30, 2023	Japan	North America	Europe	Asia outside Japan	Other area	Total
Farm equipment and engines	¥ 143,368	¥ 383,512	¥ 140,874	¥ 259,686	¥ 36,820	¥ 964,260
Construction machinery	18,157	183,412	77,158	22,992	10,185	311,904
<b>Farm &amp; Industrial Machinery</b>	<b>161,525</b>	<b>566,924</b>	<b>218,032</b>	<b>282,678</b>	<b>47,005</b>	<b>1,276,164</b>
Pipe system	60,522	187	—	1,698	37	62,444
Industrial products	18,652	5,161	556	5,572	5,759	35,700
Environment	62,813	294	242	2,839	1,314	67,502
<b>Water &amp; Environment</b>	<b>141,987</b>	<b>5,642</b>	<b>798</b>	<b>10,109</b>	<b>7,110</b>	<b>165,646</b>
<b>Other</b>	<b>10,189</b>	<b>5</b>	<b>7</b>	<b>15</b>	<b>—</b>	<b>10,216</b>
Revenue recognized from:						
Contracts with customers	313,701	572,571	218,837	292,802	54,115	1,452,026
Other sources of revenue	1,354	48,745	—	16,906	1,009	68,014
<b>Total</b>	<b>¥ 315,055</b>	<b>¥ 621,316</b>	<b>¥ 218,837</b>	<b>¥ 309,708</b>	<b>¥ 55,124</b>	<b>¥ 1,520,040</b>

Interest revenue calculated using effective interest rate method and insurance revenue, which are included in *revenue recognized from other sources of revenue*, amounted to ¥69,828 million and ¥16,992 million, respectively, for the six months ended June 30, 2024, and ¥49,355 million and ¥14,826 million, respectively, for the six months ended June 30, 2023.

## 11. 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 following table.

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.

	Six months ended June 30:		Three months ended June 30:	
	2024	2023	2024	2023
Profit attributable to owners of the parent	¥ 150,804	¥ 128,823	¥ 77,882	¥ 59,723
Weighted-average number of common shares issued	1,175,082	1,186,685	1,175,183	1,184,202

(Unit: millions of yen)

(thousands of shares)

*Earnings per share attributable to owners of the parent—Diluted* is not stated since Kubota Corporation did not have potentially dilutive common shares that were outstanding.

## 12. DIVIDENDS

Dividends paid are as follows:

### Six months ended June 30, 2024

Date of resolution	Class of shares	Dividends (millions of yen)	Dividends per common share (yen)	Record date	Effective date
The Board of Directors on February 14, 2024	Common shares	¥ 28,239	¥ 24.00	December 31, 2023	March 25, 2024

(Note)

The total amount of dividends includes dividends of ¥32 million for shares of Kubota Corporation held by the trust in connection with the stock compensation plan.

### Six months ended June 30, 2023

Date of resolution	Class of shares	Dividends (millions of yen)	Dividends per common share (yen)	Record date	Effective date
The Board of Directors on February 14, 2023	Common shares	¥ 26,202	¥ 22.00	December 31, 2022	March 27, 2023

(Note)

The total amount of dividends includes dividends of ¥33 million for shares of Kubota Corporation held by the trust in connection with the stock compensation plan.

## 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

### Financial instruments measured at fair value

The following table presents fair values of financial instruments measured at fair value:

(Unit: millions of yen)

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Financial assets measured at fair value through other comprehensive income:				
Equity financial assets	¥ 96,041	¥ —	¥ 9,638	¥ 105,679
Financial assets measured at fair value through profit or loss:				
Debt financial assets	44,498	—	10,648	55,146
Derivatives:				
Foreign exchange contracts	—	197	—	197
Interest swap contracts	—	77	—	77
Cross-currency interest rate swap contracts	—	2,692	—	2,692
<b>Total</b>	<b>¥ 140,539</b>	<b>¥ 2,966</b>	<b>¥ 20,286</b>	<b>¥ 163,791</b>
<b>Financial liabilities:</b>				
Financial liabilities measured at fair value through profit or loss:				
Derivatives:				
Foreign exchange contracts	¥ —	¥ 5,979	¥ —	¥ 5,979
Cross-currency interest rate swap contracts	—	3,789	—	3,789
<b>Total</b>	<b>¥ —</b>	<b>¥ 9,768</b>	<b>¥ —</b>	<b>¥ 9,768</b>

(Unit: millions of yen)

		December 31, 2023			
		Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>					
Financial assets measured at fair value through other comprehensive income:					
Equity financial assets	¥	75,618	¥	—	¥ 84,099
Financial assets measured at fair value through profit or loss:					
Debt financial assets		31,469		8,554	40,023
Derivatives:					
Foreign exchange contracts		—		4,518	4,518
Interest swap contracts		—		130	130
Cross-currency interest rate swap contracts		—		1,554	1,554
Total	¥	107,087	¥	6,202	¥ 17,035
<b>Financial liabilities:</b>					
Financial liabilities measured at fair value through profit or loss:					
Derivatives:					
Foreign exchange contracts	¥	—	¥	2,603	¥ 2,603
Cross-currency interest rate swap contracts		—		3,295	3,295
Total	¥	—	¥	5,898	¥ 5,898

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 1.8 to 17.7) as a multiple, and by other method. As the EBIT ratio increases (decreases), the fair value increase (decrease).

Transfers between levels are recognized at the end of the reporting period when such transfers occur. There were no significant transfers between levels of financial instruments held at the end of each reporting period.

The following table presents reconciliation of financial instruments classified as Level 3:

(Unit: millions of yen)

Six months ended June 30:	2024		2023	
Balance at the beginning of the period	¥	17,035	¥	10,662
Gains or losses				
Profit or loss (Note 1)		481		490
Other comprehensive income (Note 2)		1,204		587
Purchases		1,607		1,026
Sales		(41)		—
Others		—		(332)
Balance at the end of the period	¥	20,286	¥	12,433

(Notes)

- Gains or losses are recognized as *finance income* or *finance costs* in the condensed consolidated statement of profit or loss. Of the gains or losses recognized in profit or loss, the amounts related to financial instruments held as of June 30, 2024 and 2023, were ¥481 million and ¥490 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 condensed consolidated statement of comprehensive income.



## 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)

	June 30, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Finance receivables:				
Retail finance receivables	¥ 1,699,831	¥ 1,565,588	¥ 1,454,982	¥ 1,368,433
Finance lease receivables	468,485	538,833	446,484	504,583
Long-term trade accounts receivable	69,725	72,826	63,572	67,369
Debt financial assets	62,410	62,902	52,201	52,053
Written put option liabilities over noncontrolling interests	3,990	3,990	3,642	3,642
Bonds and borrowings	2,258,950	2,214,838	1,990,207	1,956,861

The fair value of finance receivables, long-term trade accounts receivable, 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 condensed 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 receivable), 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.

## 14. COMMITMENTS AND CONTINGENT LIABILITIES

### Commitments

Commitments for acquisition of property, plant, and equipment amounted to ¥83,378 million and ¥93,280 million as of June 30, 2024, and December 31, 2023, respectively.

### Legal Proceedings

Since May 2007, 67 asbestos-related lawsuits have been filed against the Company, the Japanese government, and other asbestos-related companies.

With regard to the seven lawsuits consolidating 23 cases, the Supreme Court has concluded that the the government and a part of asbestos-related companies are liable for compensation. However, all claims against the Company were rejected. In addition, the appeals were withdrawn in two lawsuits.

Other 42 lawsuits related to 311 construction workers who suffer from asbestos-related diseases are still ongoing, and the total claim for all the remaining lawsuits aggregated to ¥10,020 million. Of these ongoing lawsuits, five first instance judgments have been rendered in 17 lawsuits, and the Company was ordered to pay compensation damages of ¥2 million in one lawsuit and the other four lawsuits were decided in favor of the Company. Four of these lawsuits are being heard on the second instance.

The Company continues to review the status of lawsuits, including consultation with a third-party legal counsel regarding the progress of lawsuits and the likely final outcome. However, the Company believes that it is currently unable to predict the ultimate outcome of lawsuits.

The Company does not have any cost-sharing arrangements with other potentially responsible parties, including the Japanese government.

### **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. With regard to the current and former employees who suffered and are suffering from asbestos-related diseases, the Company provides compensation, which is not required by law, but is made 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 a time series data of historical claims and payments, 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, there are no cases where final conclusions are made to the cause and the incidence rate of asbestos-related health hazard at other asbestos-related companies. 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 Law for the Relief of Patients Suffering from Asbestos-Related Diseases (the "New Asbestos Law") was established by the Japanese government in March 2006. The purpose of this law is to provide prompt relief to persons who sustain asbestos-related diseases but are not relieved by compensation for accidents under workmen's compensation insurance. Contributions under this law are made by the Japanese government, local authorities and business entities. 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 the special contribution in accordance with the New Asbestos Law. The accrued balances for asbestos-related expenses are ¥171 million and ¥211 million as of June 30, 2024, and December 31, 2023, respectively. The asbestos-related expenses recognized for the six months ended June 30, 2024 and 2023, were ¥462 million and ¥414 million, respectively.

### **15. SUBSEQUENT EVENTS**

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The Company has resolved at the Board of Directors held on August 7, 2024, to increase the maximum number of treasury shares that can be acquired pursuant to the provisions of Articles of Incorporation under Article 165, paragraph 2 of the Companies Act of Japan, originally resolved at the Board of Directors held on April 17, 2024. According to the resolution, the Company is to acquire up to 32.0 million outstanding common shares of the Parent Company from the market during the period from April 18, 2024, to December 16, 2024, at an acquisition cost not exceeding ¥50,000 million.

### **16. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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The condensed consolidated financial statements were approved on August 9, 2024, by Yuichi Kitao, President and Representative Director of the Parent Company, and Masato Yoshikawa, Representative Director and Executive Vice President, General Manager of Planning and Control Headquarters of the Parent Company.

## 2. Other

### Year-end Dividend

On February 14, 2024, the Board of Directors of the Parent Company has resolved the year-end dividend for the 134<sup>th</sup> business term and paid as follows:

Record date		Dividends per common share (yen)		Dividends (millions of yen)	Effective date of claim of payment and commencement of payment
December 31, 2023	¥	24.00	¥	28,239	March 25, 2024

(Note)

The total amount of dividends includes dividends of ¥32 million for shares of Kubota Corporation held by the trust in connection with the stock compensation plan.

### Interim Dividend

On August 7, 2024, the Board of Directors of the Parent Company has resolved the interim dividend for the first half of the 135<sup>th</sup> business term as follows:

Record date		Dividends per common share (yen)		Dividends (millions of yen)	Effective date of claim of payment and commencement of payment
June 30, 2024	¥	25.00	¥	29,416	September 2, 2024

(Note)

The total amount of dividends includes dividends of ¥28 million for shares of Kubota Corporation held by the trust in connection with the stock compensation plan.

COVER

[Document Filed]	Confirmation Letter
[Applicable Law]	Article 24-5-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed to]	Director, Kanto Local Finance Bureau
[Filing Date]	August 9, 2024
[Company Name]	Kabushiki Kaisha Kubota
[Company Name in English]	Kubota Corporation
[Title and Name of Representative]	Yuichi Kitao, President and Representative Director
[Title and Name of CFO]	Masato Yoshikawa, Representative Director and Executive Vice President, General Manager of Planning and Control Headquarters
[Address of Head Office]	2-47, Shikitsuhigashi 1-chome, Naniwa-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 Semiannual Securities Report**

Yuichi Kitao, President and Representative Director, and Masato Yoshikawa, Representative Director and Executive Vice President, General Manager of Planning and Control Headquarters, confirmed that statements contained in the Semiannual Securities Report of Kubota Corporation for the first half of the 135<sup>th</sup> business term (from January 1, 2024 to June 30, 2024) were adequate under the Financial Instruments and Exchange Act of Japan.

## **2. Special Notes**

Not applicable.