January 24, 2023

FOR IMMEDIATE RELEASE

KUBOTA Corporation

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Notice of Corporate Demerger (Simplified Absorption-Type Demerger) Between Kubota Corporation and One of Its Wholly Owned Subsidiaries

Kubota Corporation (the "Company") hereby announces that the Board of Directors has resolved at a meeting on January 24, 2023 that by means of a corporate demerger (simplified split), the Company shall, as of April 1, 2023, take over the waste incineration, melting, crushing, and recycling business operations of its wholly owned subsidiary KUBOTA Environmental Engineering Corporation ("KKE"), which are currently part of KKE's "Clean Center" construction and ancillary business, which is subject to the Construction Industry Law, hereinafter the "Business." (Note that this excludes business activities related to the operation, maintenance, or repair of completed "Clean Centers" within Japan). The Company has resolved to conclude an absorption-type demerger agreement on February 8, 2023 to formally effect this corporate demerger (hereinafter the "Demerger"), as follows.

Since the Demerger is a simplified absorption-type demerger, certain disclosure items and details have been omitted.

1. Purpose of the Demerger

The purpose of the Demerger is to strengthen collaboration between the two companies by defining their respective roles and responsibilities more clearly. The new arrangement, under which the Company will take over some of the Business previously handled by KKE, will consolidate dispersed resources and help to build a more competitive environmental plant business, while at the same time allowing KKE to focus more on its O&M (Operation & Maintenance) contracting business. The Demerger will enable the Company to better tackle the realization of "solutions to promote the circulation of water resources and waste" as specified in the Company's long-term vision, "GMB2030."

2. Outline of the Demerger

(1) Schedule of the Demerger

Dates of resolutions of the Board of Directors	January 24, 2023 (Company) January 20, 2023 (KKE)
Date of conclusion of absorption-type demerger agreement	February 8, 2023 (planned)
Effective date of the demerger	April 1, 2023 (planned)

* Since this Demerger corresponds for the Company to a "simplified split," as defined in Article 796, Paragraph 2 of the Companies Act, and for KKE to a "summary split," as defined in Article 784, Paragraph 1 of the Companies Act, neither company will hold a general meeting of shareholders to approve the absorption-type demerger agreement.

(2) Method of the Demerger
The Demerger will be an absorption-type demerger (simplified split), with KKE as the split-off company and the Company as the succeeding company.

(3) Details of allotment related to the Demerger
The Company owns all shares of KKE, and no shares or other cash, etc. will be allocated or delivered as consideration for the Demerger.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights upon the Demerger
Not applicable

(5) Increase or decrease in share capital due to the Demerger
There will be no increase or decrease in the Company's share capital as a result of the Demerger.

(6) Rights and obligations to be taken over by the succeeding company
The Company will take over all the assets, liabilities, contracts, licenses and approvals, and other rights and obligations pertaining to the Business (of KKE) as of the effective date of the Demerger, to the extent permitted by the terms of the absorption-type demerger agreement.

(7) Prospects of fulfillment of obligations
The Company has determined that there are no problems with the prospects of fulfillment of the obligations that it will assume as the succeeding company on and after the effective date of the Demerger.

3. Overview of the Companies Involved in the Demerger

	Succeeding company	Split-off company
Name of company	Kubota Corporation	KUBOTA Environmental Engineering Corporation
Address	2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka	1-3, Kyobashi 2-chome, Chuo-ku, Tokyo
Name and title of representative	President and Representative Director Yuichi Kitao	President and Representative Director Koichi Nakagawa
Business description	Manufacturing and sales, etc., of farm equipment and agricultural related products, engines, construction machinery. Manufacturing and sales, etc., of pipe system-related products (ductile iron pipes, plastic pipes, and other products), materials and urban infrastructure-related products (reformer and cracking tubes, spiral-welded steel pipes, air-conditioning equipment, and other products), and environment-related products (environmental control plants, pumps, and other products)	Operation, maintenance, and management services, design, construction, and repair of water purification plants, sewage treatment plants, night soil treatment facilities, waste processing facilities, and pumping facilities; design, construction, and maintenance of industrial wastewater and waste gas treatment system
Share capital	84,130 million yen	400 million yen
Founded	December 22, 1930	July 26, 1976
No. of shares issued (as of Dec. 31, 2022)	1,191,006,846 shares	180,000 shares
Fiscal year end	December 31	December 31
Major shareholders and shareholding ratios (as of Dec. 31, 2022)	The Master Trust Bank of Japan, Ltd. (Trust Account): 16.23% Nippon Life Insurance Company: 5.25% Meiji Yasuda Life Insurance Company: 5.03% Custody Bank of Japan, Ltd. (Trust Account): 4.40% Sumitomo Mitsui Banking Corporation: 3.02%	Kubota Corporation: 100.00%

(Note) Shareholding ratios are calculated excluding treasury shares (8,574 shares).

Results of operations and financial position for the most recent fiscal year

	Succeeding company	Split-off company
Fiscal year end	FY ended Dec. 31, 2021 (Consolidated / IFRS)	FY ended Dec. 31, 2021 (Non-consolidated / J-GAAP)
Equity attributable to owners of the parent	1,677,957 million yen	35,972 million yen
Total assets	3,773,510 million yen	48,324 million yen
Equity attributable to owners of the parent per share	1,398.41 yen	199,847.72 yen
Revenue	2,196,766 million yen	54,002 million yen
Operating profit	246,207 million yen	5,101 million yen
Profit before income taxes	252,559 million yen	4,943 million yen
Profit attributable to owners of the parent	175,637 million yen	3,304 million yen
Earnings per share attributable to owners of the parent	145.52 yen	18,360.01 yen

4. Overview of Business Unit to be Taken Over

(1) Description of business activities of unit to be taken over

Waste incineration, melting, crushing, and recycling business, which is part of “Clean Center” construction and ancillary businesses subject to the Construction Industry Law (excluding business related to the operation, maintenance, or repair of completed “Clean Centers” within Japan).

(2) Business performance of business units to be taken over (for FY ended Dec. 31, 2021)

Revenue	3,254 million yen

(3) Value of assets and liabilities to be taken over (for FY ended Dec. 31, 2021)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	1,880 million yen	Current liabilities	1,572 million yen
Fixed assets	316 million yen	Fixed liabilities	0 million yen
Total	2,196 million yen	Total	1,572 million yen

(4) Status after the Demerger

There will be no change in the Company’s name, address, name and title of representative, business description, share capital, or fiscal year end after the Demerger.

5. Future Outlook

Since the Demerger is a reorganization of the Company and one of its wholly owned subsidiaries, the impact on the Company’s consolidated financial results is immaterial.

< Cautionary Statements with Respect to Forward-Looking Statements >

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

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