July 20, 2022

FOR IMMEDIATE RELEASE

KUBOTA Corporation
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Notice of Basic Agreement on Absorption-Type Merger (Simplified/Short Form Merger) of Wholly Owned Subsidiaries

Kubota Corporation (the “Company”) hereby announces that the Board of Directors has resolved at the meeting on July 20, 2022 to conclude a basic agreement to implement an absorption-type merger (hereinafter the “Merger”) of wholly owned consolidated subsidiary Kubota Seiki Co., Ltd., and Kubota Seiki Co., Ltd.’s subsidiary Kanto Kubota Seiki Co., Ltd., effective from May 1, 2023.

Since the Merger is a simplified absorption-type merger of wholly owned subsidiaries, certain disclosure items and details have been omitted.

1. Purpose of the Merger

In order to respond quickly to the changing market environment and needs toward the realization of a sustainable society, the Company will strengthen the foundation of the hydraulic equipment business for in-house products by integrating the current structure in which the Company is responsible for development and our subsidiary and second tier subsidiary handle manufacturing, and improve the competitiveness of the farm equipment and construction machinery business, through this merger.

2. Outline of the Merger

(1) Schedule of the Merger

Date of resolution of the Board of Directors on the conclusion of the basic agreement on the Merger	July 20, 2022
Date of signing the Merger agreement	August 31, 2022 (planned)
Effective date of the Merger	May 1, 2023 (planned)

*Since the Merger is a simplified absorption-type merger for the Company under Article 796, Paragraph 2 of the Companies Act, and a short-form merger for Kubota Seiki Co., Ltd. and Kanto Kubota Seiki Co., Ltd. under Article 784, Paragraph 1 of the Companies Act, none of the companies will hold a general meeting of shareholders to approve the Merger.

(2) Method of the Merger

The Merger will be an absorption-type merger with the Company as the surviving company, and Kubota Seiki Co., Ltd. and Kanto Kubota Seiki Co., Ltd. will be dissolved.

(3) Details of allotment related to the Merger

Not applicable.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights upon the Merger

Not applicable.

3. Overview of the companies involved in the Merger

	Surviving company	Dissolved company ①	Dissolved company ②
Name of company	Kubota Corporation	Kubota Seiki Co., Ltd.	Kanto Kubota Seiki Co., Ltd.
Address	2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka	15-5, Mokuzaidori 4-chome, Mihara-ku, Sakai, Osaka	10 Sakano Shinden, Tsukubamirai, Ibaraki Pref.
Name and title of representative	President and Representative Director Yuichi Kitao	President.CEO Naoki Fujiwara	President.CEO Naoki Fujiwara
Business description	Manufacturing and sales, etc., of farm equipment and agricultural-related products, engines, and 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).	Manufacturing and sales of hydraulic equipment parts for farm equipment and construction machinery	Manufacturing of parts for farm equipment (tractor front axle, hydraulic parts, HST transmission and gear pumps)
Share capital	84,130 million yen	480 million yen	25 million yen
Founded	December 22, 1930	May 7, 1947	April 16, 1974
No. of shares issued	1,200,246,846 shares	9,600,000 shares	50,000 shares
Fiscal year end	December 31	December 31	December 31
Major shareholders and shareholding ratios (as of June 30, 2022)	The Master Trust Bank of Japan, Ltd. (Trust account) 16.64% Nippon Life Insurance Company 5.23% Meiji Yasuda Life Insurance Company 5.01% Custody Bank of Japan, Ltd. (Trust Account) 4.65% Sumitomo Mitsui Banking Corporation 3.01%	Kubota Corporation 100.00%	Kubota Seiki Co., Ltd. 100.00%

(Note) Shareholding ratios are calculated excluding treasury shares (5,076,734 shares).

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

	Surviving company	Dissolved company ①	Dissolved company ②
Fiscal year	FY ended Dec. 31, 2021 (Consolidated / IFRS)	FY ended Dec. 31, 2021 (Non-consolidated / J-GAAP)	FY ended Dec. 31, 2021 (Non-consolidated / J-GAAP)
Equity attributable to owners of the parent	1,677,957 million yen	8,253 million yen	1,542 million yen
Total assets	3,773,510 million yen	18,896 million yen	2,834 million yen
Equity attributable to owners of the parent per share	1,398. 41 yen	859.75 yen	30,842 yen
Revenue	2,196,766 million yen	26,610 million yen	3,232 million yen
Operating profit	246,207 million yen	849 million yen	356 million yen
Profit before income taxes	252,559 million yen	1,070 million yen	376 million yen
Profit attributable to owners of the parent	175,637 million yen	779 million yen	269 million yen
Earnings per share attributable to owners of the parent	145.52 yen	81.14 yen	5,382.15 yen

4. Status after the Merger

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 Merger.

5. Future Outlook

Since the Merger is a merger with wholly owned subsidiaries, the impact on consolidated results of operations 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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