

「GLOBAL INDEX」

Expanding the future of food, water and the environment.
© Corporate Communication Dept., Kubota Corporation
December, 2015

Kubota

GLOBAL INDEX



Expanding the future of food, water and the environment.

The New Challenge of Solving Global Food Problems

France

The year 2015 will certainly be an epoch-making milestone for Kubota.

This is because Kubota made a full-scale entry into the global market for large scale commercial farming in 2015.

Kubota has long been supplying high-quality agricultural machinery to the rice cultivation market and has earned a very good reputation.

However, dry-field farming, which occupies roughly four times the acreage of rice cultivation, had been virtually untapped until recently.

Aiming for entry into large scale commercial farming, Kubota has embarked on full-scale development of large tractors for the first time since the foundation of the company, and established a manufacturing base in France.

Entry into large scale commercial farming with large tractors is actually the beginning of a new challenge for Kubota: solving the world's food problems.

“M7001 series” large tractors, born in France, will raise the curtain of the new history of Kubota.

Contents

GLOBAL INDEX 2015

FEATURE “French Republic” →see p.02-13

People & Business Topics →see p.14-15

KUBOTA EUROPE S.A.S. Thomas Leflot

Tractor Engineering Dept. Aya Motoki

French bread stacked in a marché in Paris. We can see why Paris is called “the breadbasket of Europe.”

FEATURE “French Republic”

Current status and issues of the largest agricultural country in the EU

Symbolized by its beautiful blue, white and red flag representing freedom, equality and fraternity, France is one of the leading nations in Europe. With a land mass measuring approximately 1.5 times that of Japan and a population of approximately 66 million, France boasts a gross domestic product (GDP) of 2,806.4 billion USD (Japan: 4,898.5 billion USD), making its economy the fifth largest in the world following the United States, China, Japan and Germany. In addition, its gross national per capita income (GNI) of 43,073 USD is roughly four times the world average and higher than that of Japan (39,947 USD)¹. As with many developed countries, secondary and tertiary industries are the center of its economy; and France is the world's largest tourist destination, attracting 83.7 million people per year².

France also boasts a major agricultural industry. With yields accounting for 19 percent of the entire output of the EU, France is the largest producer in the European Union³. Farmland covers 52.5 percent of the nation (Japan: 12%), the largest in the EU. France ranks seventh in the world in crop production behind China,



Some shops in the marché carry only organic vegetables.



Cheese products crowding the showcases; rich in taste and abundant in variety.

the United States, India, Brazil, Russia and Indonesia. In the majority agricultural products, France boasts a production volume that ranks among the top 10 in the world. Among the major agricultural products, France stands out in the volume of wheat, barley and corn in grain, potatoes and sugar beet in root vegetables, and beef, pork, raw milk and cheese in livestock. In addition, France is active in grape production and is the world's largest producer of wine⁴. Incidentally, France's food self-sufficiency rate, on a calorie basis, calculated from daily calorie intake per capita, is 129% compared to Japan's 39%⁵.

Often referred to as the “breadbasket of Europe,” the current outlook for French agriculture is, however, by no means optimistic. Since the 1990s, the farming population has been decreasing yearly, and farmland area is also decreasing due to diversion and the abandonment of cultivated land as urban populations have increased. In addition, the excessive use of nitrogen fertilizers to improve productivity has made environmental pollution a serious problem. These problems are common issues faced by the agricultural industries of not only France, but also Japan and other developed countries. How to resolve these issues and how to achieve a “sustainable agriculture” in the future—these are the questions posed to the agricultural industry of France and the world's other developed countries.

¹ United Nations statistics, 2013
² World Tourism Organization (UNWTO), 2014
³ Ministry of Agriculture, Forestry and Fisheries Website
⁴ FAOSTAT 2013
⁵ Food Balance Sheet, Ministry of Agriculture, Forestry and Fisheries



French Republic (as of Sep. 29, 2015, Ministry of Foreign Affairs of Japan)

Population	Approximately 66,320,000 people (as of Jan. 1, 2015, French National Institute of Statistics and Economics Studies: INSEE)
Land Area	544,000 Km ² (mainland, French National Institute of Statistics and Economics Studies: INSEE)
Main industries, Industrial characteristics	Chemical industry, machinery industry, food industry, textile industry, aviation industry, nuclear industry, etc. Biggest agriculture in Western Europe. Cutting-edge industries, especially aerospace industry, nuclear industry, etc., are developing.
Main trade Item (2014) (French Customs)	Export: Agricultural products, electrical equipment/machinery and mechanical appliances, chemicals/perfumes/cosmetics, aircraft/spacecraft Import: Energy, electrical equipment/machinery
Main trading partners (2014) (French Customs)	Export: Germany, Belgium, Italy, Spain, Great Britain, U.S.A, etc. Import: Germany, China (including Hong Kong), Belgium, Italy, U.S.A, Spain, etc.

Expanding the future of food, water and the environment.

From France: Solutions to global food problems

An agricultural policy that has been implemented by 28 EU countries, including France, is the Common Agricultural Policy (CAP). Introduced in 1962, CAP is the de facto agricultural standard in Europe. Needless to say, France is the leader of CAP. The current CAP system is composed of two pillars: income support and market measures for farmers, and the Rural Development Policy, which includes initiatives such as environmental conservation and the diversification and strengthening of the competitiveness of rural economies. Through these policies, France has been able to stabilize supply and prices in a single market, and maintain the farming income levels.

CAP is currently aiming to achieve sustainable, productive and competitive agriculture, while taking into account



Mixed agriculture, which combines dry-field farming and livestock farming, is also recommended for farmland preservation.

recent issues such as environmental protection and support for farms in the wake of globalization. For this reason, the French government is taking measures to ensure food safety, protect the environmental and achieve sustainable agriculture. Such measures include additional subsidies for farmers engaging in organic agriculture.

Dept., who played a central role in this project, points out that this is a new step toward solving the world's food problems, which is Kubota's goal.

“With the world's population forecasted to reach 9.5 billion by 2050, increasing food production is essential for the survival of humankind. This will not be easy, however,

What is the significance of Kubota's entry into the agricultural industry and large scale commercial farming in France and the EU?. Shinichi Yamada, General Manager of the Agri-Machinery Business Development

with predicted increases in cultivated acreage being only 5 to 10%. One of the challenges required to address the present situation is to increase food production and productivity in the area of dry-field farming. To achieve this challenging goal to solve global food problems, Kubota is making a full-scale entry into large scale commercial farming in France and the EU”.

Let's follow the tracks of this new challenge for Kubota.



Shinichi Yamada
 General Manager
 Agri-Machinery Business Development Dept.

Grain production in France (2013: FAOSTAT/Resources)

Wheat	No.5 in the world (No.1: China)
Corn	No.9 in the world (No.1: USA)
Barley	No.3 in the world (No.1: Russia)
Potato	No.8 in the world (No.1: China)
Sugar beet	No.2 in the world (No.1: Russia)
Grape	No.5 in the world (No.1: China)

Grain export from France (2012: FAOSTAT/Resources)

Wheat	No.4 in the world (No.1: USA)
Corn	No.5 in the world (No.1: USA)
Barley	No.2 in the world (No.1: Australia)
Sugar	No.5 in the world (No.1: Brazil)

Livestock production in France (2013: FAOSTAT/Resources)

Milk	No.7 in the world (No.1: USA)
Butter	No.6 in the world (No.1: India)
Cheese	No.3 in the world (No.1: USA)

Agricultural Powerhouse Heading for “Sustainable Agriculture” France



Wheat ripening on vast tracts of land, as if to symbolize the agricultural powerhouse.

FEATURE "French Republic"

Large Farming Tractors "M7001 Series": Path of development



M7001 demonstrated at a European dealer meeting in September 2014.

Kubota's challenge in large scale commercial farming

Kubota established a production base for medium and large scale farming tractors in Spain in 1986 with the aim of expanding business in the EU region, starting with Spain. A slump in the Spanish agriculture industry, however, prompted Kubota to pull out of

the country in 1994. Decades passed, but the challenge of entering the large scale commercial farming market remained as the most important and urgent issue for Kubota, whose management goals include contributing to solving the global food problems. Kubota's farming tractors and combine harvesters, which have been supplied mainly to Japan and other Asian countries, have been highly approved by users. However, those products were primarily intended for rice farming. In world crop acreage, dry-field farming



Teruhito Yamauchi
Team Leader, F37 Project
Second Design Office
Tractor Engineering Dept.

Motonari Inaoka
Engineering Manager
Product Support Dept.,
KUBOTA FARM MACHINERY EUROPE S.A.S. (KFM)

occupies roughly four times the acreage of rice farming. With this in mind, it is not an exaggeration to say that the door to solving global food problems cannot be opened without entering the large scale commercial farming business which spreads across the globe.

Seeing that the time was ripe, Kubota's top management made the long-awaited decision in 2010 to enter the market for large scale commercial farming. Kubota's target was Europe, which is one of the largest farming areas in the world. Entry into large scale commercial farming also entailed the development of large tractors, which was a venture into unknown territory for Kubota.

Product concept: complete ease of use

Since the 1970s, Kubota has been supplying small tractors of around 50 horsepower to the European market, and it currently has the top share in Europe in this field. However, Kubota's small tractors are employed mainly in light civil engineering such as ground leveling in parks, pavement cleaning, and light work such as grass cutting. Dry-field farming applications, which are directly linked to

production, including plowing and sowing, soil preparation, chemical spraying and carrying pasture in dairy farming, were a virtually untouched market for Kubota.

To make a full-scale entry into the market for large scale commercial farming, a project was started within Kubota in the winter of 2010. Four persons were called in: In addition to the aforementioned Yamada, Teruhito Yamauchi from the Research and Development Division (current position: F37 Project Team Leader, Second Design Office, Tractor Engineering Dept.), Motonari Inaoka, who had been involved in the development of tractors since joining the company, from the Design Division (current position: Engineering Manager, Product Support Dept., KUBOTA FARM MACHINERY EUROPE S.A.S. (KFM)), and Eiji Nishi, who is responsible for controls design (current position: Vehicle Basic Engineering Dept.). In early 2010, the four men flew to Europe for market research. The information to be gathered was wide-ranging: What are the needed horsepower ranges? What are the users looking for in large tractors? These and many more questions needed to be answered. What Inaoka, who was responsible for design, really felt was the deep trust the local users had in Kubota.

"We received many requests for large

Expanding the future of food, water and the environment.

● Kubota's machinery manufacturing and sales bases in Europe



A wide variety of implements for dry-field farming, which are used for different applications such as plowing and sowing, soil preparation, chemical spraying and carrying pasture in dairy farming. The newly-developed M7001 undertakes all of these diverse, heavy works.

tractors from farmers who were using small tractors. Aspiring to create products that would meet their expectations, we spent about a year formulating the product concept. As a result, we decided to set our target as the 130-170 horsepower range and started the development of large tractors."

In the large tractor market, however, Kubota was a new entrant, and our competitors already had full a lineup of products. Customers would never choose Kubota tractors unless we strived to establish market supremacy and clear differentiation. Moreover, the design concept of upland farming tractors was fundamentally different from that of rice farming tractors. Tractors are usually equipped with operating equipment called "implements" for effective use. Whereas



Eiji Nishi
Vehicle Basic Engineering Dept.

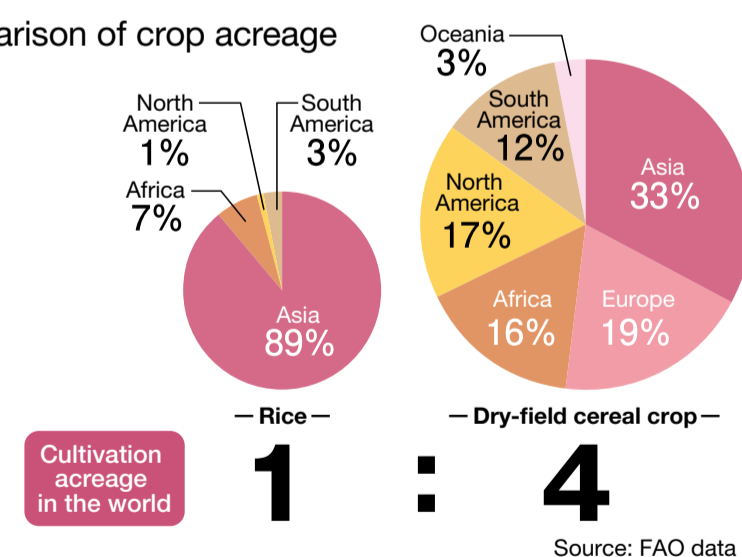
rice farming tractors require light vehicle weight because they are used in rice fields, upland farming tractors require larger vehicle weight because of the need to attach large implements. In addition to increasing vehicle weight, Inaoka's team concluded that they should maintain the strength Kubota had cultivated in the rice farming market, which was fine-tuned operability.

Required basic specs for tractors do not differ much by manufacturer. We have long years of experience and a proven track record in developing tractors with a focus on ease of use. In the all-out pursuit of ease of use, we made it the basic concept of our large tractors." (Inaoka)

Also incorporating the technology of Kverneland AS

Inaoka's team verified all the functions inside the cabin, one by one. Particular attention was given to design of the multifunction lever, which enables tractor operation with one lever. In order to significantly reduce operator burden, the layout of switches and armrests inside

Comparison of crop acreage



Cultivation acreage in the world
1 : 4
Source: FAO data

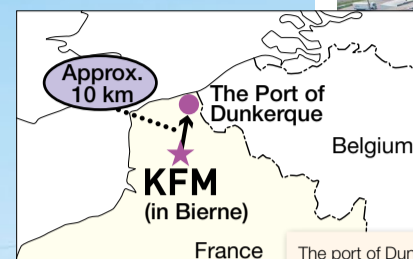
the cabin was optimized and operating elements were concentrated near the hands of the operator. As a result, the new design minimized operator fatigue even over long hours of operation. European agriculture typified by France is also referred to as mixed farming. It ranges from dry-field crops such as wheat and corn, dairy/livestock such as dairy products and meat, and fruit production such as grape and olive, and customer needs for tractors are also diversified. To address these needs, Kubota's large tractor design enabled detailed customization, from cabin configuration to tires.

In early 2012, Kubota began fabricating the first prototype of a large tractor and also made the bold move of essentially announcing its entry into large scale commercial farming to the world: Kubota acquired "Kverneland AS" of Norway and made it a Kubota group company. Kverneland AS is a manufacturer of implements for tractors that has strong brand power in Europe, a wide range of products and high technical capability. This acquisition gave Kubota the advantage of being able to develop large tractors that are best matched to implements for dry-field farming.

FEATURE "French Republic"

Expanding the future of food, water and the environment.

Valiant Challenge Bears Fruit: The Launch of "M7001 Series"



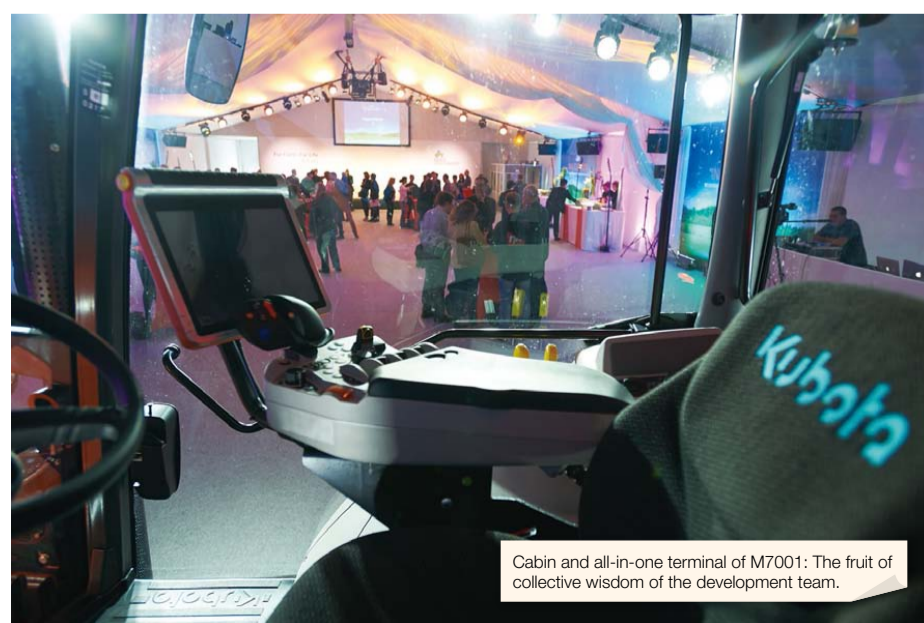
The port of Dunkerque, which is considered for M7001 shipping.



Dunkerque, which is also a summer resort, is located in the scenic Flemish region.



Debut of M7001: The whole image is unveiled (at the KFM opening ceremony, September 2015).



Cabin and all-in-one terminal of M7001: The fruit of collective wisdom of the development team.

Global development framework

Kubota's manufacturing base for large tractors is located three-hundred kilometers north of Paris on the French-Belgian border in Bierné, Dunkerque Precinct, Nord Department. While other countries were also considered initially, this location was selected because, in addition to France being the center of European agriculture, it is close to a seaport, which made it convenient for exporting products to North America and other regions.

A global development framework was

created for large tractors so that local needs could be reflected immediately. Due to differences in the business culture and product development climate, tenaciousness was required in development to find a meeting point. For example, the concept of "trial production" was different: Product development at Kubota traditionally consisted of actually fabricating prototypes; but mainstream trial production in Europe involves fabricating prototypes in three-dimensional design. Inaoka's team believed that ease of use could not be determined unless prototypes were actually fabricated to identify the issues and problems that cannot be identified in 3D design. The development approach

of "fabricating prototypes on-site and actually touching them" has been a Kubota tradition, which has resulted in high quality and customer trust. The development team fabricated prototype tractors, while teaching the local staff the importance of this step and debating with them until they were convinced.

Today, good design is required even for tractors, as it is said that quality shows in the appearance. For the first prototype, particular importance was placed on exterior design such as the bonnet, and four-eyed headlamps were installed. In addition, Kubota pursued lower prices by reducing manufacturing costs while aiming at creating a tractor with high mobility and usability.

Tractors that put precision agriculture into practice

One of the features of the newly-developed large tractor is "electronic control." In recent years, "precision agriculture" utilizing IT is required to reduce the environmental impact by distributing the proper amount of fertilizers and chemicals; and as agriculture becomes more precise, electronic control

of tractor is becoming more complex. On the other hand, achieving ease of operation was an important goal for Kubota, which had set "all-out pursuit of ease of use" as a product concept. Kubota achieved simple and comprehensible operability by integrating the tractor and implement information on one LCD and developing an all-in-one terminal that minimizes the number of user operations to the limit. In addition, optimum workability that reduces the operator burden was enabled by implementing integrated control of the engine, transmission, hydraulic equipment, implements, etc. through a CAN network. Furthermore, the tractor was designed to support precision agriculture by incorporating compatibility with implement control using GPS/ISOBUS and installing an automatic steering system. This approach to precision agriculture will be an important touchstone toward achieving sustainable agriculture, which Europe and other developed countries are aiming at.

Mass production of tractors finally begins

In December 2013, Kubota announced that KUBOTA FARM MACHINERY EUROPE S.A.S. (KFM) would be



Certificate of commendation for the "MACHINE OF THE YEAR 2015" award.

Nobuyuki Ishii, Executive Officer of KUBOTA EUROPE S.A.S. (KE) (left) and Herve GERARD-BIARD, General Manager of Tractor Sales (right).



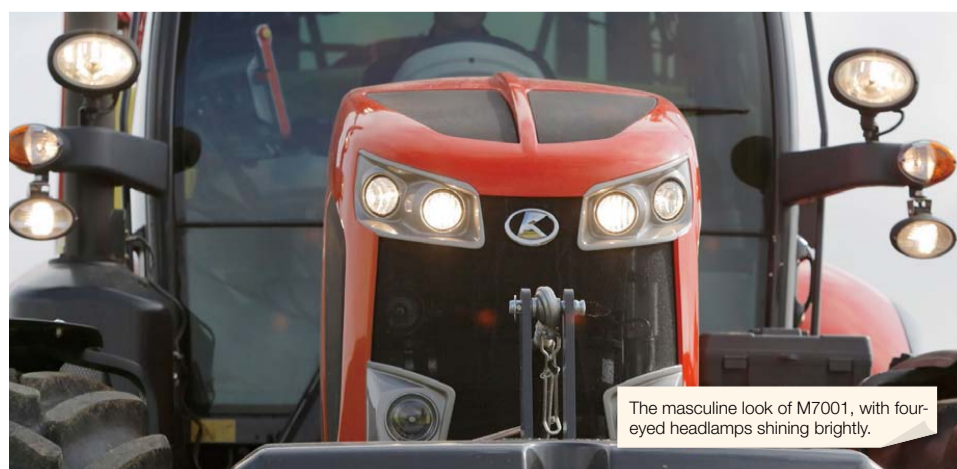
Kimata Masatoshi, President of Kubota Corporation, shaking hands with the Vice Governor of Nord Department (center).

established in Bierné, France. Development proceeded at a rapid pace in parallel with plant construction. One challenge was the local sourcing of parts. In Japan, it was easy to share the image of the specifications with suppliers based on long years of interaction, but the situation with European suppliers that Kubota was dealing with for the first time was totally different. Kubota staff made assiduous efforts to finalize the specifications one by one and managed to start test production. As the start of full-scale production neared, a sense of mission to "deliver tractors that would please customers" helped integrate the minds of all staff and became the driving force to overcome various walls and hurdles.

In February 2015, "M7001 Series" tractors were exhibited at SIMA, one of the three major agricultural machinery trade shows in Europe, and received the "MACHINE OF THE YEAR 2015" award. The design and achievement of integrated control through best matching with the implements

made by Kverneland AS were highly evaluated. In August, Kubota and its dealers began field demonstration of the M7001 Series, starting in southern France, and received voices of praise and expectations from many users.

In September 2015, the opening ceremony of KFM was held in grand fashion. Guests of honor included the Ambassador Extraordinary and Plenipotentiary of Japan in France and the Vice Governor of Nord Department, as well as Kubota president Masatoshi Kimata, KFM president Manpei Yamamoto and KFM employees from the Kubota side. Many members of the European press also came to cover the event. In his welcome speech, Kimata said: "2015 will be a year of challenge for Kubota to leap to the next stage. We would like to provide products and services that will exceed the 'expectations' of customers at a speed that will exceed their 'anticipations.'" Thus, the "M7001 Series" finally entered the mass production phase.



The masculine look of M7001, with four-eyed headlamps shining brightly.

FEATURE "French Republic"

Expanding the future of food, water and the environment.



Tractors are assembled part by part, under precise process control.



M7001 tractor in the final check: Illuminated from three directions so that not even a scratch will be overlooked.



Completed M7001 tractors: Stringent final checks are still waiting.

Road to a "Global Major Brand"

Every challenge is a first for Kubota

KFM President Yamamoto is an engineer who has worked in production engineering throughout his career, including production bases in North America, so he feels a particularly strong attachment to product development. Starting up KFM was, however, an unprecedented and challenging assignment, and Yamamoto's mission was to make the launch successful.

Yamamoto looks back: "Everything was new to us. When we had set up new overseas production bases in the past, we would start up production by developing and manufacturing products in Japan and transferring them overseas. This time around, however, we developed the products from scratch in Europe. Since the M7001 Series was positioned as Kubota's flagship product line, there was always the pressure of knowing that failure was not an option. In addition to building a factory in France for the first time, we had to face the unique legal systems of France; but we cleared the obstacles one by one. Another element

worth mentioning is that we adopted the "SAP," a mainstream business application in the US and Europe, in our manufacturing system for the first time. The adoption of SAP marked the conversion of our manufacturing approach from the Japanese-style "control by human eye" to the western style of "online data control."

Aiming for after-sales service that exceeds customer expectations

In parallel with product development, we were formulating strategies for development of the European market. In addition to achieving product superiority and differentiation, an important factor is service. Enhancing after-sales service is vital to establishing market superiority for Kubota as a new player in the large-tractor market. Of course we have been focusing on after-sales service for small tractors too, but the contents of service and customer needs with large tractors are vastly different.

Hiroshi Iino, General Manager of Product

Support Department who leads KFM's service section, explains: "Unlike small tractors for grass-cutting and such, large tractors require after-sales service combined with advanced maintenance technology due to their use for large-scale commercial farming. Thus, our dealers are required to provide services that are optimized for large-scale commercial farming work."

In agriculture, there is a best period for each farming process. Interruption due to failure of farming equipment leads directly to the reduction of productivity. While it is important to prevent the failure itself, providers of tractors for large-scale commercial farming must be the first ones to rush to the scene when a tractor breaks down in the middle of a large field.

Iino continues: "Naturally, our competitors are also aiming to improve their after-sales service, so we must provide something that distinguishes Kubota from the competition—visiting our customers, which is what we have emphasized over the years. This is the Kubota style. It is a low-profile effort, but we believe that these activities will eventually win customer trust. To achieve these goals, we plan to focus on educating our dealers to improve their level of expertise."



Manpei Yamamoto, President of KFM (right) and Hiroshi Iino, General Manager of the Product Support Dept. (left).

Kubota's challenge continues

Kubota is currently working on the early establishment of a Kubota Production System, which aims at achieving the "Made by Kubota" concept to ensure quality, cost and delivery time at the highest level. One of the targets is the reduction of production lead time. Yamamoto said emphatically:

"The reduction of lead time means speeding up the entire production flow, which begins with our suppliers starting the production of parts and ends with KFM manufacturing and delivering the finished products to customers. Since the M7001 Series tractors can be customized to satisfy the needs of each customer, the speed at which we deliver the product will be the key. Where other manufacturers require four to five months lead time, KFM will aim at roughly half that time: a lead time of two months."

Shipment of the M7001 Series tractors has already started, and they are being delivered to dealers. Maxime Feulet, one

of our dealers, decided to carry Kubota Products, as he liked Kubota's Customer First concept.

He says: "I have great expectations for the M7001 Series. It will serve as a springboard for the achievement of high-volume harvests and increased productivity. As a dealer, I want to increase the number of Kubota owners by providing excellent service. Also, I would like Kubota to introduce large tractors in the 200 horsepower range in the near future."

KFM is planning to produce 3,000 units in 2017. The current plan is to export not only to European countries, but also to North America, Australia and Japan. Kubota's development team has entered a new stage.

"As market introduction begins, we will have to come face to face with our customers. Our goal is to improve where we need improvement, enhance our product quality, and achieve stable production." (Inaoka)

The M7001 Series development project has been a new challenge for Kubota, starting from zero to build tractors. The

endeavor brings to fruition the wishes of not only the development staff but all Kubota employees. However, there is another market for large-scale commercial farming that is even bigger than the European market: North America. Many tractors used in large-scale commercial farming in North America are in the 200 horsepower range or larger. The challenge

of developing larger tractors awaits us up ahead. The battle for survival has now begun. To win that battle and supply the M7001 Series to the markets for large scale commercial farming around the world is the road to becoming a "Global Major Brand" and enabling Kubota to make significant contributions to solving global food problems.



M7001 undergoing a road test.

FEATURE "French Republic"

Kubota's small construction machinery boasts the top market share in Europe

While Kubota is known as a manufacturer of tractors, combines and other agricultural machinery, it also manufactures construction machinery such as mini excavators. In Europe, Kubota has three sales companies, KUBOTA BAUMASCHINEN GmbH (KBM), a manufacturing and sales base in Germany, KUBOTA EUROPE S.A.S (KE) in France, and KUBOTA (U.K.) Ltd. (KUK) in the U.K., and has been supplying mini excavators and wheel loaders of eight tons or less to the market through its dealer network.

"Mini excavators supplied by Kubota are highly evaluated in urban civil engineering. They are easy to operate, even in small



KUBOTA EUROPE S.A.S. (KE) Head Office (Located in Argenteuil, Northwest of Paris).

spaces, but have powerful excavating capability despite their compact size. They also feature a wide range of operations. In the 27 years since its establishment, KBM has worked hard to cultivate customer trust. As with small tractors, KBM has maintained a top market share in Europe, and plans to expend even more energy to promote future sales." (Nobuyuki Ishii, President of KE)

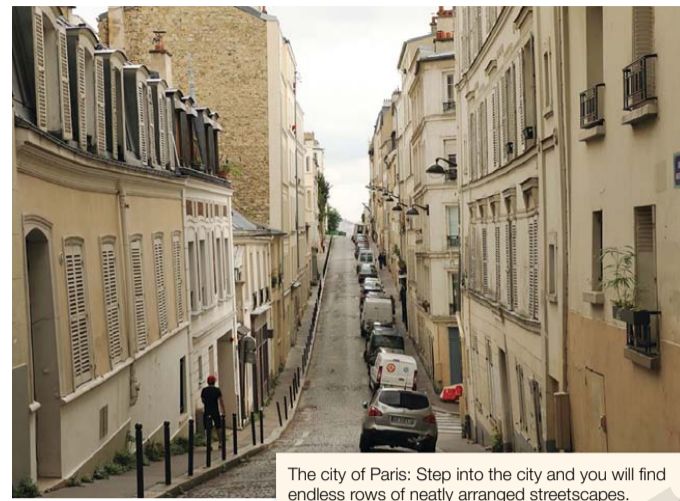
Kubota construction machinery plays an active role in urban civil engineering. Major European cities such as Paris are full of beautiful scenery. The role of urban civil engineering is to maintain and conserve the landscape of these cities. France is one European country that has been focusing especially on landscape conservation. Let us review French landscape conservation efforts.



Nobuyuki Ishii
Executive Officer, KUBOTA Corporation
President of KUBOTA EUROPE S.A.S.

Two fundamental landscape conservation laws

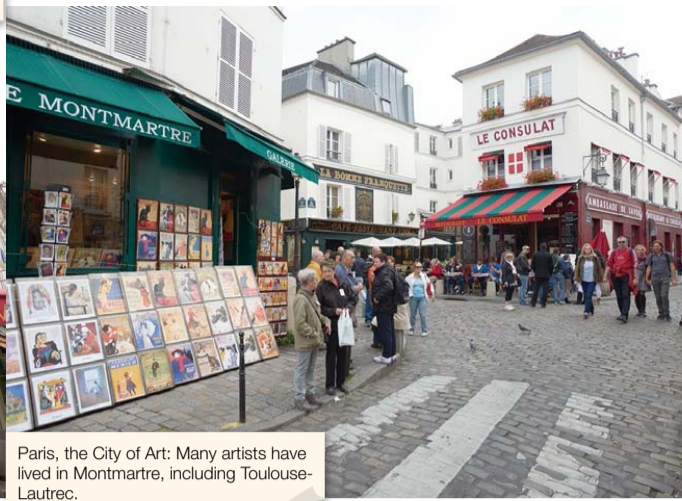
In France, the development of systems related to landscape conservation began in 1913, when a policy of historical building conservation was institutionalized. The most epoch-making of the conservation laws was the Malraux Act. Formulated in 1962 by Andre Malraux, who served as the Minister of Culture, this law was designed to complement other legislation relating to the conservation of historical and aesthetic cultural heritage and promote the restoration



The city of Paris: Step into the city and you will find endless rows of neatly arranged streetscapes.



People enjoy themselves at cafes throughout Paris.



Paris, the City of Art: Many artists have lived in Montmartre, including Toulouse-Lautrec.

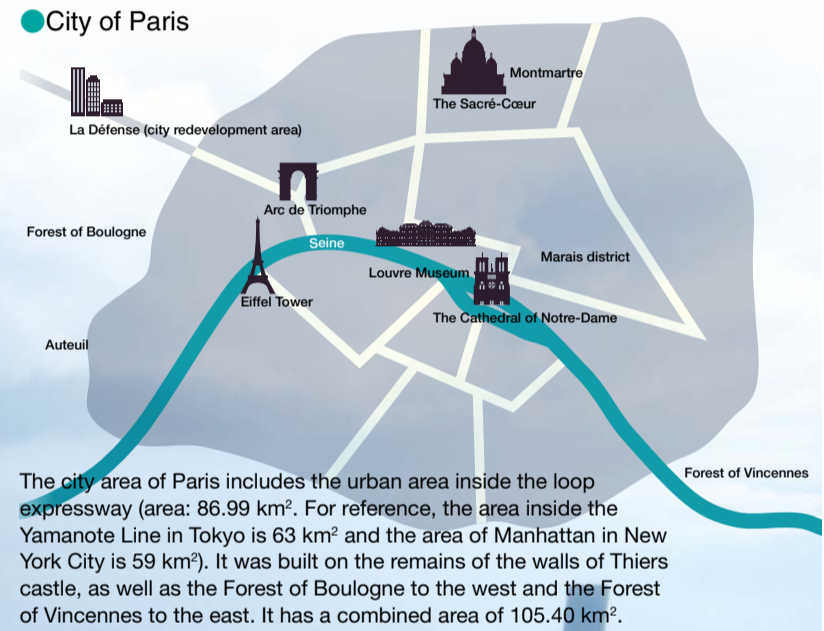


Stone-paved street in the landscape and environment conservation area.



View of the Arc de Triomphe from the Champs-Élysées: Traffic is heavy on the main street of Paris.

Mission to Protect the Landscape and Environment of Paris



The city area of Paris includes the urban area inside the loop expressway (area: 86.99 km². For reference, the area inside the Yamanote Line in Tokyo is 63 km² and the area of Manhattan in New York City is 59 km²). It was built on the remains of the walls of Thiers castle, as well as the Forest of Boulogne to the west and the Forest of Vincennes to the east. It has a combined area of 105.40 km².



Looking down on the Champs-Élysées from the Paris Arc de Triomphe. Height regulations on buildings in Paris city can be seen.

Expanding the future of food, water and the environment.

of real estate. The Malraux Act presented the concept of conservation districts, and it is known as the first law in the world aimed at conserving the historical environment.

In times of rapid modernization, with old towns being demolished nationwide and high-rise buildings going up in the middle of historic urban districts, the main point of the Malraux Act was to revive townscapes by restoring traditional architecture around historic buildings. However, the Malraux Act was revised many times because of its perceived connection to the real estate business. After the "Landscape Law" was enacted in 1993, the Malraux Act gave way to the "POS (Exclusive Land Use Plan)," which was aimed at protecting historic urban districts under the Conservation and Recovery Plan. The POS is still in effect today.

Let us also touch on the Fuseau Regulation, which was enacted in 1977 for the purpose of protecting historical views. A fuseau is a spindle-like cylindrical shape with the middle section bulging. This shape represents the human field of view. Views of monuments are classified into three types based on the Fuseau Regulation, which regulates the height of buildings in front of and behind monuments to prevent obstruction of the view. The Fuseau Regulation currently applies to 47 locations in Paris, and it also serves as the basis for criteria related to building height regulations in other regions.

The origin of the Fuseau Regulation was in the landscape conservation in front of and behind monuments. The Palace of Versailles is a good example. This major tourist attraction covers an enormous area, but you cannot see high-rise buildings from anywhere on the grounds. Such thorough landscape conservation is only possible in France. Planar landscape development in Paris, which started in the restoration projects carried out in historic urban district conservation areas, gradually spread to wider areas until it covered the entire city.

Construction machinery that contributes to environmental conservation

In parallel with landscape conservation, environmental protection is an important theme. Environmental problems in urban areas include various elements, but pollution caused by vehicle exhaust emissions is a common challenge for all developed countries. The EU has been imposing strict regulations against exhaust emissions for some time now.

Kubota's construction machinery and agricultural machinery currently comply with the regulations of Japan, Europe and other countries. In recent years, however, regulations for particulate matter (PM) and nitrogen oxides (NOx), both diesel engine emissions, were tightened in EURO6, which was initiated in September 2014. Starting in 2015, all new motor vehicles sold in the EU will be subject to EURO6; and in the near future, it is expected that stricter regulations will also be introduced to construction and agricultural machinery.

Exhaust emissions from construction machinery in urban civil engineering is considered a major issue in Europe. EURO regulations must be complied with of course, but I believe that we must also set our future sights on conversion to clean energy and electric motors." (Ishii)

Conserving the landscape and environment: That is the mission that Kubota's construction machinery must undertake.

FEATURE "French Republic"

Expanding the future of food, water and the environment.

Together with the City – The Vision Kubota's Mini Excavators Aims for

The Marais district retains signs of the Middle Ages

The Marais district of Paris is on the right bank of Seine River north of Saint-Louis Island (3rd and 4th districts of Paris). It is a well-known historical district lined with beautiful 17th-century buildings. The district has also become a symbol of landscape conservation, as it was cited by Malraux in his speech to the National Assembly. With many nobles building mansions in this town, the Marais district was the most prosperous and gorgeous town block in Paris around the 17th century. However, as the streets were lined with buildings over time, the Marais district, which retained the signs of the Middle Ages, gradually declined.

Under the circumstances, Malraux introduced the Malraux Act, under which large-scale construction work was carried out to restore the town of the 17th century. Although some residents were evicted, the Marais district prospered as a tourist attraction as the historical landscape of the 17th century was revived, and still prospers today. The former mansions of the nobility were purchased by the City

of Paris, and are being re-used as art galleries and museums. Thus, the Marais district is known as the most elegant district in Paris.

How can urban civil engineering accomplish to preserve valuable historical landscape? Kubota's efforts in Paris have their basis in the landscape of the city and follow the belief that mini excavators can contribute to landscape conservation in ways that are possible only for small equipment.

Kubota products actively working in Paris

We visited the 16th district of Paris, where a Kubota mini excavator was on site. Construction was underway near the Auteuil Botanical Garden, which is near the Roland Garros stadium where the French Open tennis tournament is held, adjacent to the Forest of Boulogne. At the construction site, lifelines such as electricity, telephone, water and gas were being laid under the pavement in a public utility conduit. Public utility conduits are considered useful in improving the aesthetics of the town by allowing power cables and such to be buried underground.



Communication with dealers is indispensable. (Bernard Dewaele of KE on the left, and dealer Mr. Sylvain Palaric on the right)



A mansion of nobility in the Marais district. "Marais" means "swamp" in French, as the area had been a large track of farmland filled with swamps until the 13th century. In the early 17th century, after French King Henri IV built the Place Royale (now Place des Vosges), noble people competed to build mansions in the area, shaping the original form of the current Marais district.



User Mr. Benjamin Lanni checking operation during commissioning.



Construction work underway, with a mini excavator blending into the landscape of the Auteuil Botanical Garden.



A mini excavator actively working on laying a public utility conduit, taking advantage of its high maneuverability.



In recent years, utility conduits have also been used commonly in Japan. Underground laying of public utility conduits is playing a role in conserving the landscape of Paris. We interviewed Mr. Sylvain Palaric of Bouchard Company, a dealer that supplied the mini excavator to the site. He has been handling Kubota mini excavators for 11 years.

"We carried another company's small construction machinery in the past, but we switched completely to Kubota. Quality, reliability and thorough after-sales service were things that other companies just could not match. Above all, Kubota machines were highly prized by operators. The cabins are comfortable, less tiring and a whole lot easier to operate. Excellent durability is also one of the charms of Kubota products."

The Kubota mini excavator continued its excavation work, as it smoothly blended into the townscape of Paris.

Needs for environment-friendly construction machinery

Not limited to the Marais district, preservation of many old monuments and towns is based on the concept of landscape conservation. Narrow, intricate pavement made of aged cobblestone is another feature of the city of Paris. As this pavement is generally vulnerable to vibration, large construction machinery cannot be easily used. That is one reason that Kubota's

maneuverable, light and durable mini excavator equipment is highly prized. Kubota has been ensuring landscape conservation through equipment operation itself; for example, attaching rubber crawlers for operation on cobblestone pavement. Mr. Benjamin Lanni, an operator who runs a company that engages in landscape construction work in Paris, recently purchased three Kubota mini excavators units.

"We switched from another company to Kubota. One reason is the brand power and its high reliability. As operators know intuitively, the vehicle body is well-balanced and high horsepower makes it very powerful. Another point that justifies the selection of Kubota is the quick response to our requests for customization."

We asked Bernard Dewaele, who has been in charge of mini excavators sales at KE for over 30 years, for his outlook on business in Europe.

"Kubota's share in the mini excavator market in Europe is now about 30 percent. Although we are maintaining the top market share, our goal is to pull away from our competitors. In addition, we believe that we have a mission to create a better

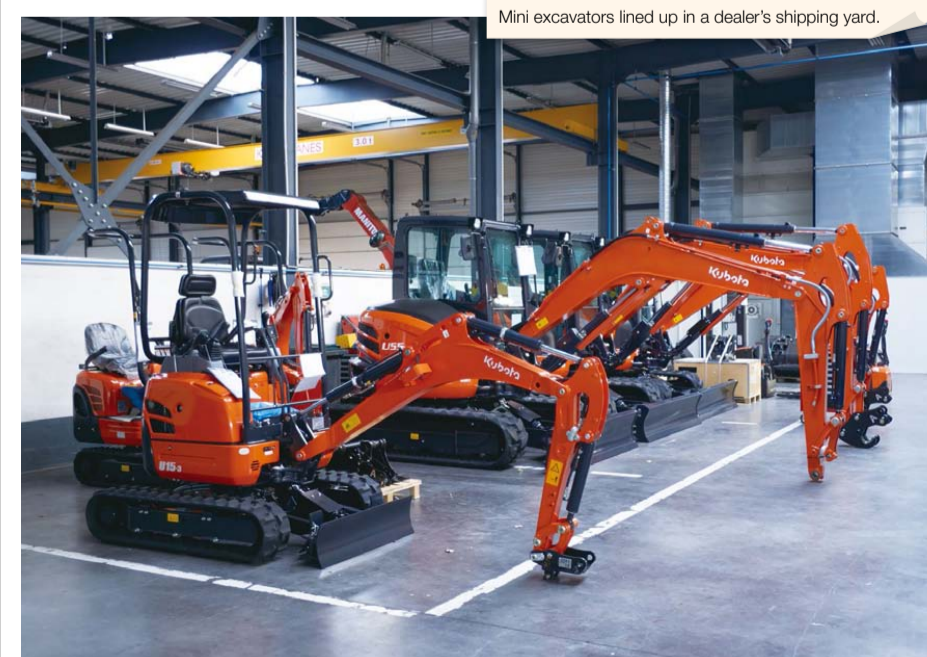
townscape as we contribute to landscape conservation. In order to achieve these missions, we must provide construction machinery that features, in addition to performance, environment-friendly functions such as countermeasures to reduce exhaust emissions and noise."

Mini excavator provided by Kubota is becoming the standard in Europe, also in

terms of environment conservation—that is the vision that Kubota aims at. Kubota's mini excavator, which is promoted by many dealers and users, continues to work actively in the city of Paris and in European cities.

France is an agricultural powerhouse, and a mature nation. Kubota's products and technology play key roles in solving the

global food problems and conservation of urban landscape and environment, and the role of Kubota products and technologies play is great. By accumulating a track record in France, a nation known for the high awareness of its citizens, Kubota will propose to the world an "image of a sustainable society," which is a goal of not only France but all developed countries.



Mini excavators lined up in a dealer's shipping yard.



A trusting trio at the delivery of mini excavators: user (left), dealer (center), and KE (right).

PEOPLE

Global challenge for Kubota professionals

Everyone at Kubota has a strong desire to help people and continues to accept challenges around the world to achieve that goal. Two mid-career professionals in sales and development voice their thoughts on the global challenges they face and the goals they hope to achieve.

Global Work Style 1

Think on your own, and take action

“The philosophy of a salesperson of mini excavator”

Thomas Leflot

Export Sales Representative Construction Machinery Division, KUBOTA EUROPE S.A.S. (KE) Joined Kubota in 2014

Traveling around in Europe to support local dealers

In my previous job, I was responsible for developing construction machinery business at another company and I decided to join Kubota, seeking new opportunities for growth. Kubota is known for its high quality in the field of mini excavator and has the top share in the European market. Since Kubota does business not only in Europe but also globally, I wanted to test my ability on the international stage. I considered that Kubota was the place where I could improve myself as a businessperson.

Since joining Kubota, my mission has been to expand the sales of Kubota's mini excavator in Europe. My specific activities start with approaching local distributors and accurately grasping the needs in each country. For example, I interview distributors and dealers in each countries to find out what issues they face in selling our products and then take action to solve those issues. If the product knowledge of a dealer is insufficient, I will organize a product training program; and also if sales performance is not powerful enough, I will organize a sales training program. Another major role for me is to help the dealers increase sales, by supporting their marketing activities and sales initiatives.



Working closely with dealers through face-to-face communication

While KE cover the whole 23 countries in Europe, it is becoming increasingly important to focus on mid size markets such as Eastern European countries in order to boost sales and market share. For example, expanding market share in Romania and Portugal is one of our big mission. I take various approaches such as organizing product training sessions to hear the dealers' opinions and help solve their problems. Each of these actions helps motivate the dealers and steadily increase our market share and participation. I am always striving to work closely with the dealers through face-to-face communication. Through these efforts, I believe we can build stronger partnerships

and trusting relationships.

Kubota's european mini excavator strategy is to achieve a 30% share on our territory. To do that, it is essential to strengthen the dealer network. It is also important to ensure that the dealers have the several skills required to satisfy our final customers. To implement these initiatives, I am planning to various measures and actions to support the dealers.

After starting my career at Kubota, I have strongly felt that Kubota's products are highly valued and trusted throughout Europe. In terms of my job, the company



A friendly atmosphere at the KE office.

gives me freedom and authority, even though I am relatively new to the company. I feel that Kubota has developed a corporate culture of respecting the will and initiative of each employee. In this environment where I can make full use of my abilities, I am determined to focus on my achievements and to keep growing as a businessperson. That is my objective so far.

BUSINESS TOPICS

The New Multi-Purpose Tractor, adapted to local needs, in the world's largest market, Indian market



The Multi-Purpose Tractor for Indian market.

India boasts the largest tractor market in the world, with an annual demand of approximately 600,000 units. In India, tractors are used throughout the year not only for agricultural work but also for transportation of crops or construction materials. Kubota has developed a new multi-purpose tractor, specially designed to meet such unique needs of the Indian market. This Indian model is much heavier than Kubota's conventional tractors, with higher haulage capacity, durability and excellent fuel efficiency. In line with introducing of this new tractor, Kubota Agricultural Machinery India Pvt., Ltd. built an assembly factory in Pune, Maharashtra State, so that we can respond to diversity of unique Indian market needs more quickly and proactively. Kubota is opening up the Indian market and participating in the Asian large-scale farming market.



From India 01

Expanding the future of food, water and the environment.

Global Work Style 2

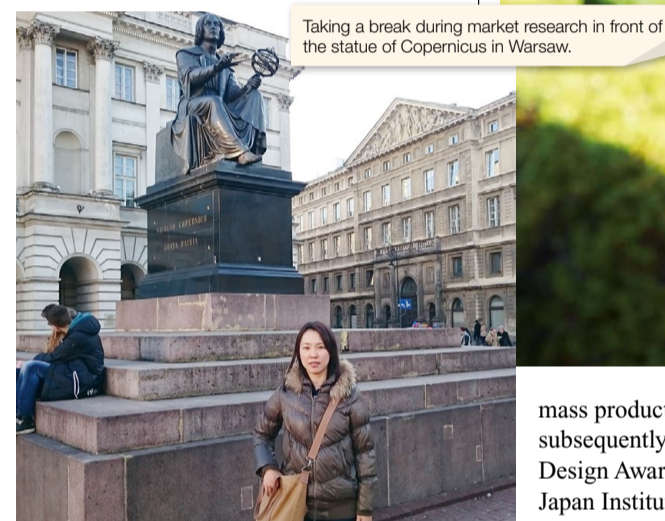
The developer's point of view: Always visualize the user

Aya Motoki

Mgr. E501 Project Team Tractor Engineering Dept. Joined Kubota in 1998

The developer's joy, expanding from Japan to the world

I have been involved in the development of L-series tractors ever since joining Kubota. Since majoring in mechanical engineering at college, I have always felt the satisfaction of seeing a product created from my drawings. I decided to join Kubota because I could feel the company's enthusiasm for manufacturing.



Taking a break during market research in front of the statue of Copernicus in Warsaw.

and because I was strongly attracted to Kubota's proactive hiring of women for technical positions.

Initially, I was assigned to L-series tractors for the domestic market, and mainly involved in electrical component design. Starting in my fifth year, I was responsible for the development of the cabin (operating room). I adopted a rounded cabin instead of the traditional square shape. Since it was the first time a rounded cabin had been introduced to L-series tractors, we had difficulty developing prototypes. It was a day-to-day struggle. We didn't give up, however, and we were able to finally reach

The next milestone was in my eleventh year when I was assigned to overseas models. The target country was the United States. I went to survey of U.S. market for the development of new models and visited our dealers in various locations from Chicago to Texas to conduct market research. We incorporated the requests that we received during that trip into our development plan for the new model, and the product was a blockbuster when we introduced it to the market. When I visited the U.S. later, a dealer told me that "the tractor is very popular and selling well," and I was overjoyed.

I want to deliver Kubota tractors to markets around the world

I am now in charge of Europe. Prior to introducing the new models, I travelled there to conduct market research as I had when I was working the U.S. market. A diversified range of implements are used in Europe, and operating spaces as well as user needs differ widely from country to country. There are also various regulations in Europe which we must comply with. To create tractors that meet user needs while keeping an eye on costs, I am now in the process of trial and error while leading the team. What I always do is visualize our users: What would I look for if I

were a user? This point of view is the driving force in product development.

In tractor development, it is essential to accurately capture user needs to match the timing of market introduction. What I also feel keenly is the importance of approaching the market with the collective strength of unity among sales, manufacturing and service. I believe that this is necessary for Kubota's evolution into a "Global Major Brand".

Kubota has a corporate culture in which you can always accept the challenge of tasks that are one level higher than you are. In such an environment, I am aspiring to grow as an expert on L-series tractors and continue delivering better Kubota tractors to our users around the world.

BUSINESS TOPICS

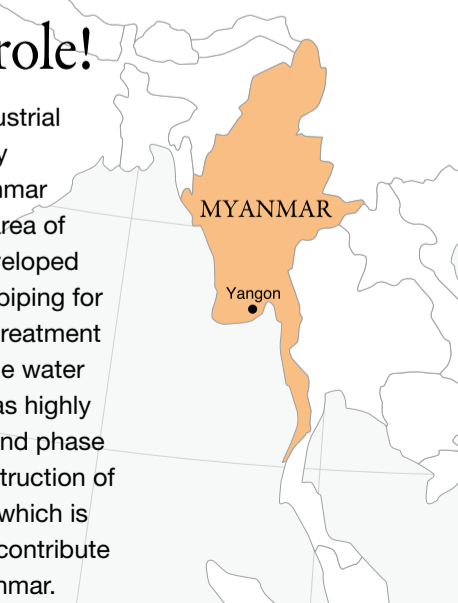
Thilawa Industrial Park opens, and Kubota's products and technologies for aqueous environments are playing an active role!



Grand opening ceremony.

As we announced in the previous issue, Thilawa Industrial Park has opened. The industrial park has been jointly developed by the public and private sectors of Myanmar and Japan in a special economic zone covering an area of 2,400 ha. In Zone A (approx. 400 ha), which was developed in advance, Kubota's ductile iron pipes are used for piping for water intake and supply, while Kubota's proprietary treatment plants, which features low running cost, is used in the water and sewerage treatment facility. This track record was highly evaluated and led to an additional order for the second phase of construction. Kubota is also undertaking the construction of a water treatment plant for a Japanese food factory which is scheduled to move in soon. Kubota will continue to contribute to sustainable future economic development in Myanmar.

From Myanmar 02



For Earth, For Life
Kubota



M7001 Starting up!

— From France to the global market for large scale commercial farming.
Kubota's challenge for solving food problems and achieving sustainable agriculture —

Notice on "GLOBAL INDEX" back numbers

Since the first issue of 1992, the previous "GLOBAL INDEX" publications have been considering social problems around the world for more than 20 years.



GLOBAL INDEX 2015

Previous issues (magazines and web contents) can be viewed from the special "GLOBAL INDEX" website.

Please visit the special "GLOBAL INDEX" website for details.

<http://www.kubota-global.net/globalindex/>



We offer our prayers for the victims of the terrorist attacks in Paris on November 13, 2015.

Published	December, 2015
Planning & Issuance	Corporate Communication Dept., Kubota Corporation 1-2-47, Shikitsuhigashi, Naniwa-ku, Osaka 556-8601
Editing & Production	Works Japan Co., Ltd., Universal Combo Inc.
Photographs	Sincom Photo
Design	Hiroshi Kawakami Office Limited Company
Printing	Cie Bie Kansai Inc.
Inquiries	Corporate Communication Dept., Kubota Corporation TEL: 06-6648-2389