



ON YOUR SIDE

Long-term Vision and Mid-term Business Plan

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Kubota Corporation

February 22, 2021



Agenda

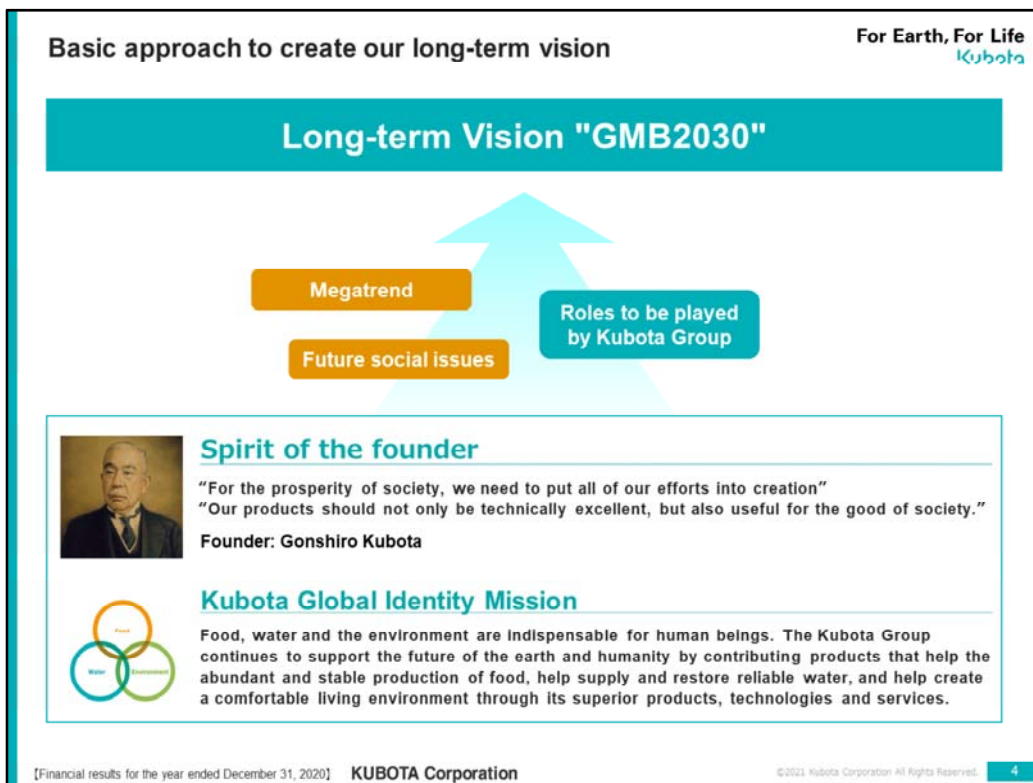
For Earth, For Life
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- 1 Long-term Vision "GMB2030"
- 2 Mid-term Business Plan 2025

Agenda

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- 1 Long-term Vision "GMB2030"
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This image shows the basic approach to create our long-term vision “GMB2030”. My basic approach to corporate management has not changed since I took office and the first priority is “the realization of GMB Kubota”.

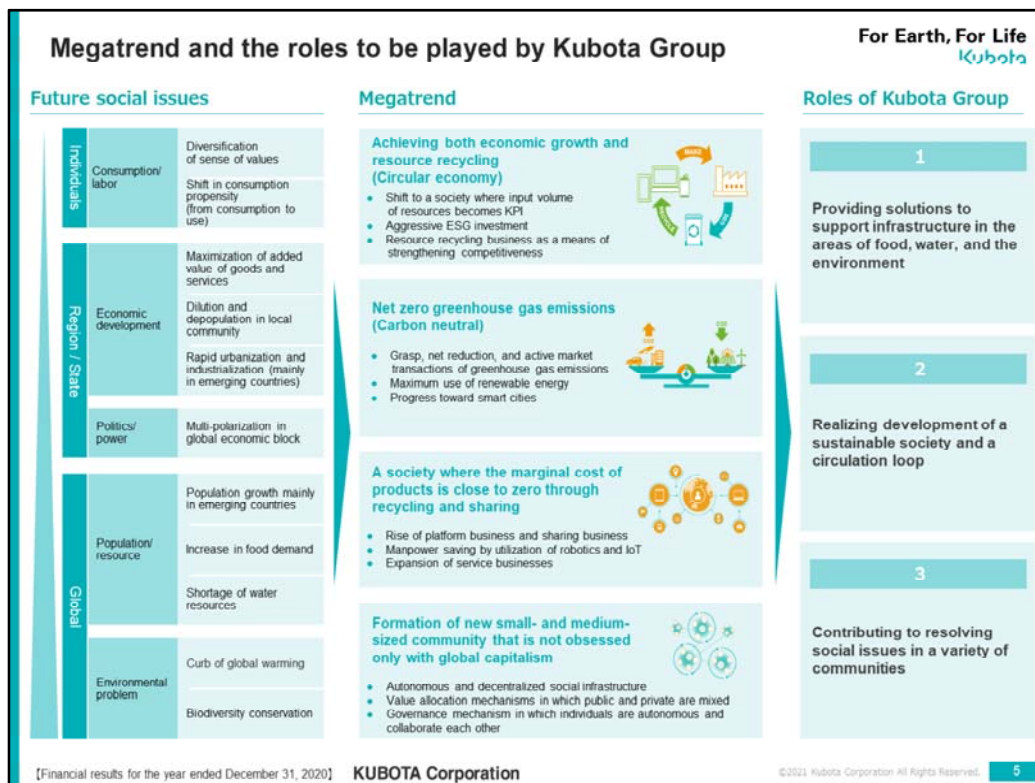
What Global Major Brand, GMB Kubota, should be is a company that can make the greatest social contribution as a result of being trusted by the largest number of customers.

In order to accelerate the realization of this approach, we have created our long-term vision “GMB2030” looking ahead to the next 10 years.

“For the prosperity of society, we need to put all of our efforts into creation.” “Our products should not only be technically excellent, but also useful for the good of society.” These words of Kubota’s founder, Gonshiro Kubota, are the mission of Kubota Group, and we recognize that it is an extremely important concept even in modern society.

Kubota Group has inherited the spirit of the founder and made it our mission to contribute to society in the area of food, water, and the environment, which are indispensable for human beings, protect the beautiful global environment, and support the affluent lives of people.

Based on this concept, our long-term vision “GMB2030” was derived by taking into consideration various social issues that may arise in the future, megatrends that are expected to be global trends in response to these issues, and the roles to be played by the Kubota Group in these trends.



Society has many social issues, such as environmental problems including climate change and global warming, natural disasters, infectious diseases, population and resource problems, and global economic and political issues. The world as a whole is becoming more and more uncertain and changing to a complex society where everything is intertwined with each other at the same time.

Against this backdrop, we think there are four megatrends that Kubota should focus on as expected global trends or directions that Kubota Group should aim for.

The first one is achieving both economic growth and resource recycling, the so-called Circular economy.

The second one is net zero greenhouse gas emissions, the so-called Carbon neutral.

The third one is a society where the marginal cost of products is close to zero through recycling and sharing.

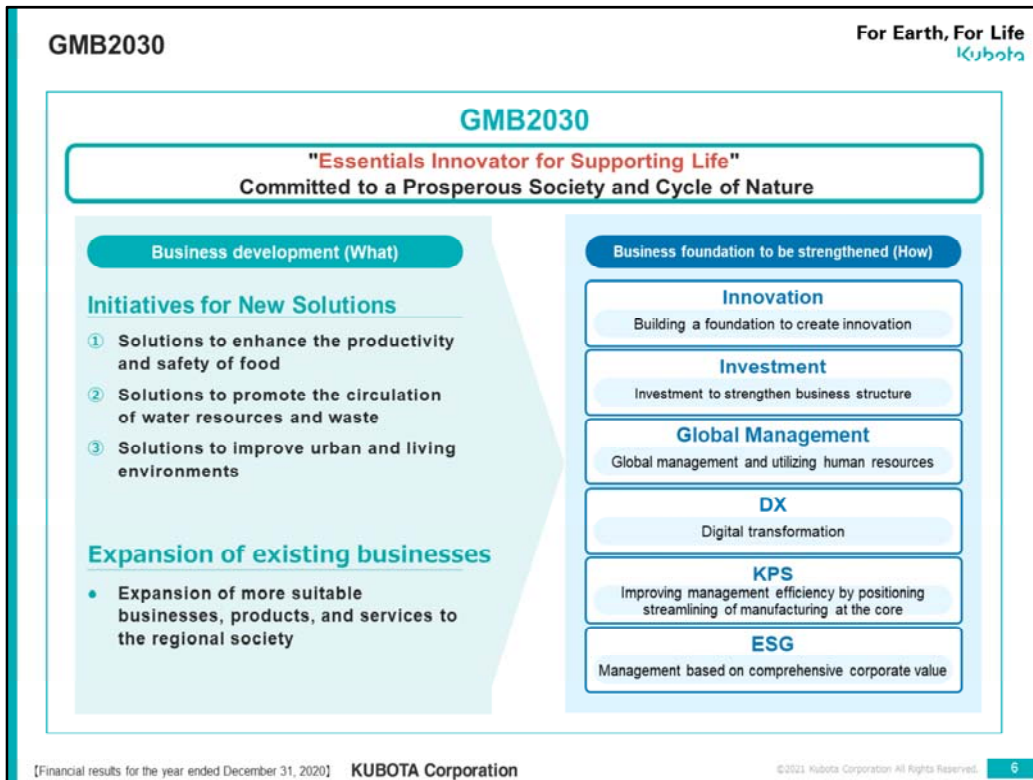
The fourth one is formation of new small- and medium-sized community that is not obsessed only with global capitalism.

Furthermore, we think that there are three roles to be played by Kubota Group in the midst of these four megatrends.

The first one is providing solutions to support infrastructure in the areas of food, water, and the environment.

The second one is realizing development of a sustainable society and a circulation loop.

The third one is contributing to resolving social issues in a variety of communities.



This page is the overall picture of GMB2030 based on the story so far. First of all, what Kubota Group should be is "Essentials Innovator for Supporting Life, Committed to a Prosperous Society and Cycle of Nature".

Kubota Group has been striving to provide products and services that are indispensable for human beings and has accumulated a great deal of technology and know-how over the past 130 years in solving issues related to food, water, and the environment that develop several meters above and below the earth's surface. In the future, we would like to become essentials innovator for supporting life by expanding and developing the areas through our business.

To realize this vision, Kubota will work to provide three new solutions as our business development.

The first one is solutions to enhance the productivity and safety of food.

The second one is solutions to promote the circulation of water resources and waste.

The third one is solutions to improve urban and living environments.

Of course, we will also further expand our existing businesses and contribute to society by expanding more suitable businesses, products, and services to regional society.

Six items as listed here are the business foundation to be strengthened (How), which are needed to support existing businesses and new solutions as the extension of those (What).

We will steadily work on these initiatives in Mid-term Business Plan.

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Business development to realize GMB2030

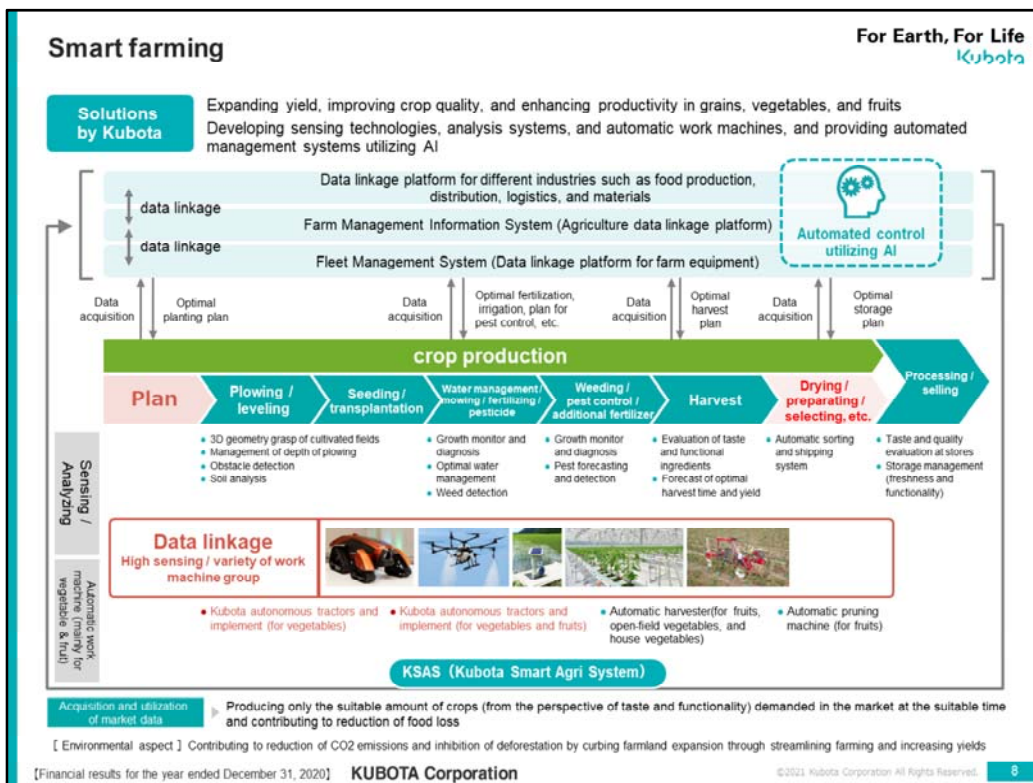
▶ Establish an ecosystem with various business partners in each field and provide total solutions

| Business development | Direction of Development (Current Image) |
|---|--|
| <p>① Solutions to enhance the productivity and safety of food</p> <p>Food Water Environment</p> | <ul style="list-style-type: none"> Expanding yield, improving crop quality, and enhancing productivity (ex. Sophistication of smart farming) Solving issues in the entire food value chain Producing next-generation crop |
| <p>② Solutions to promote the circulation of water resources and waste</p> <p>Food Water Environment</p> | <ul style="list-style-type: none"> Reducing environmental impact through social lives and industrial activities Purifying and reusing wastewater and sewage Zero landfill waste and recovery of resource from waste (ex. providing resource recovery solutions) Building an eco-system to reduce CO2 |
| <p>③ Solutions to improve urban and living environments</p> <p>Water Environment</p> | <ul style="list-style-type: none"> Streamlining management of urban social infrastructure (ex. Building a Water Environment platform) Creating better quality, more comfortable, and safer living space |

Each business collaborate, motivate each other, and creates synergies

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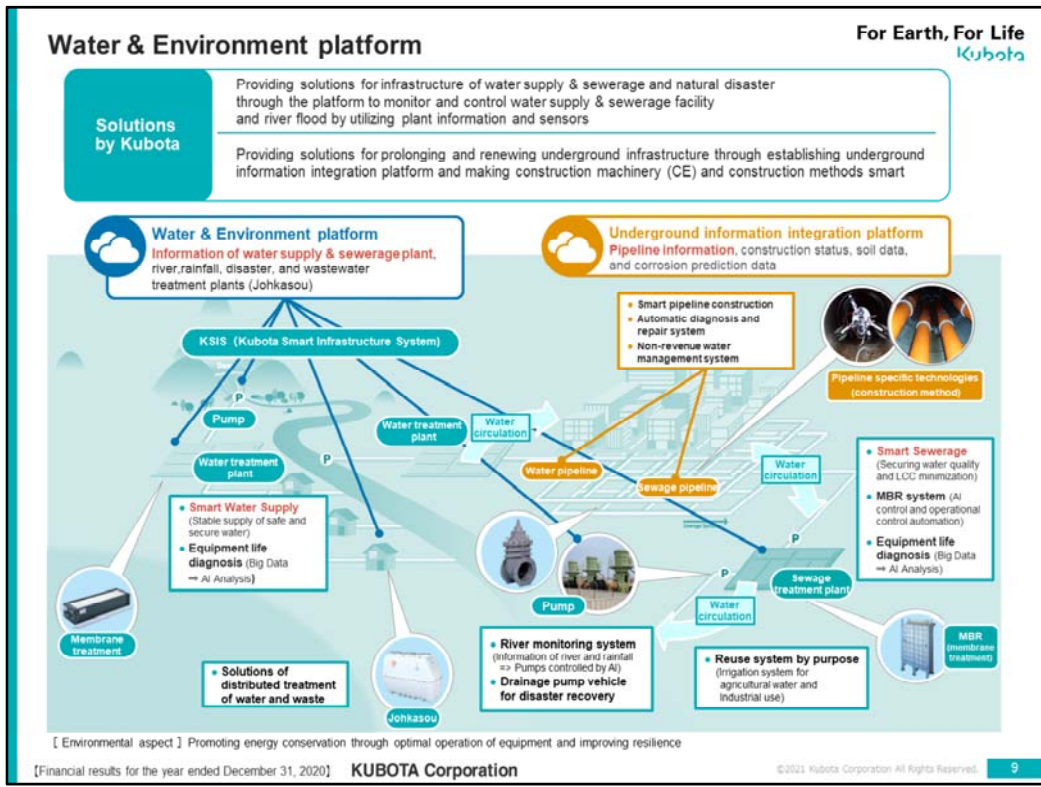
With respect to the three solutions I mentioned earlier, the direction of business development that we are currently considering is as you can see. Positioning our products and technologies at the core in each business field, we will establish an ecosystem with various business partners, provide total solutions, and transform ourselves into a “solution provider” that directly contributes to solving the social issues that the world has. In addition, through the total solutions created by “One Kubota”, each business will collaborate and motivate each other, and we aim to further expand the overlapping areas of Kubota’s global loop and become a larger innovator that transcends each field.



The first solution is smart farming.

This is an area where we have already promoted commercialization, including the development of Kubota Smart Agri System (KSAS), which is a system supporting farm management and service by utilizing ICT.

We aim to improve yield and quality of crop and enhance productivity of farming through development of a group of work machines with high sensing capabilities linked to data and provision of automated farm management system utilizing AI in a series of processes for crop production, which is from cultivation planning to drying, preparing, and selecting crops, such as rice, wheat, and fruits.



The second solution is Water & Environment Platform. This is also an area where we have already promoted commercialization, such as the development of Kubota Smart Infrastructure System (KSIS), which is an IoT system providing remote monitoring, diagnosis, and control services for various water and environment plants and equipment. We will provide smart water supply & sewerage facility, which utilizes plant information and sensors, and the platform to monitor and control river flood. In addition, as shown in the picture, we will utilize “Kubota underground information integration platform” composed of pipeline information and construction status, and contribute to the development of sustainable infrastructures that are efficient and disaster-resistant in the rage of water supply to sewage.

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Resource recovery solution

Solutions by Kubota Achieving zero landfill waste and recovering resources from various types of waste
Providing local governments and businesses with optimal packages and exits of recovered material

Reproduction

- Recovery of metals and energy resources from waste
- Production of fertilizer and feed from recovered material, such as agricultural residues and food waste

- Sewage sludge
- Night soil sludge
- Agricultural and livestock waste
- Waste plastic
- Residue from recycled material
- Burned ash
- Other waste

Incinerators, melting furnaces, methane fermentation system, etc.

Melting furnace (1300 °C)

Organic matter decomposition / heavy metal separation

phosphorus containing slag

Valuable metal

Au, Ag, Cu

Methane fermentation facility

Technologies and solutions Kubota possesses

- Metal recovery technology through phosphorus recovery, methane utilization, and melting
- Utilization of existing resources (business experience in the field of food, water and urban construction)

Technologies and solutions other companies possess

- AI, IoT, and robotics technologies
- Various solutions

Vertical crusher

[Environmental aspect] Power generation by resource recovery and recovered energy from various types of wastes

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The third solution is resource recovery solution. This is still in the starting stage, but in regard to the waste generated in social life, we will establish total solutions that circulate from recovering and sorting waste to reproducing energy, such as methane, and valuable metals, including phosphorus, gold, silver, and copper, by leveraging phosphorus and metal recovery technologies Kubota possesses as base technology, utilizing AI and IoT, and combining our solutions with technologies other companies possess.

Please see the movie at the following URL.

<https://youtu.be/zpgivzPWCis>

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1 Long-term Vision "GMB2030"

2 Mid-term Business Plan 2025

Main themes of Mid-term Business Plan 2025

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Changes in circumstances surrounding Kubota Group and Business Challenges

- ① Corporate social responsibility has become heavier and heavier due to changes in society surrounding companies.
- ② Kubota needs to establish a new business model which enables sustainable growth 10 years later taking into account social issues and megatrends (realization of GMB2030).
- ③ Kubota needs to take advantage of opportunities to expand existing businesses and promote to establish the foundation for further growth.
- ④ Profit margin has a tendency to decline due to intensifying competition and upfront investment.
- ⑤ As businesses become more globalized, a management control system is no longer in line with current business.



* Due to the change in fiscal year end, the fiscal year ended December 31, 2015 was the nine-month period from April to December. Therefore, data for 12 months from January to December, 2015 were displayed for reference.
** In accordance with U.S. GAAP, until the fiscal year ended December 31, 2016 and IFRS from the fiscal year ended December 31, 2017.

Main themes for Kubota Group over the next 5 years

- ① Promotion of ESG management
 - ② Establishment of the foundation for realizing GMB2030 that supports the next generation
 - ③ Expansion of revenue in existing businesses
 - ④ Improvement of profit margin
 - ⑤ Development of infrastructure that supports sustainable growth
- Investing management resources aggressively, organizationally, and in a planned manner
- Achieving both investment and improvement of profitability

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13

In order to respond to changes in circumstances surrounding Kubota Group, and to resolve various business challenges, we have set the following five themes as the main themes of Mid-term Business Plan.

The first one is promotion of ESG management.

The second one is establishment of the foundation for realizing GMB2030 that supports the next generation.

The third one is expansion of revenue in existing businesses.

The fourth one is improvement of profit margin.

The fifth one is development of infrastructure that supports sustainable growth.

We will achieve both investment and improvement of profitability by expansion of revenue in existing businesses and improvement of profit margin, and invest management resources in the other three themes aggressively, organizationally, and in a planned manner.

The goal that Kubota aims in Mid-term Business Plan 2025 For Earth, For Life
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▶ Kubota positions the 5 years in Mid-term Business Plan 2025 as the period to complete the establishment of foundation for the realization of GMB2030, and the entire group will work together on the 5 main themes.

GMB2030

“Essentials Innovator for Supporting Life”

Committed to a Prosperous Society and Cycle of Nature

Toward the realization of GMB2030, backcasting what should be in 2025

Mid-term Business Plan 2025
Transformation driven by ESG
~ toward GMB2030 + beyond ~

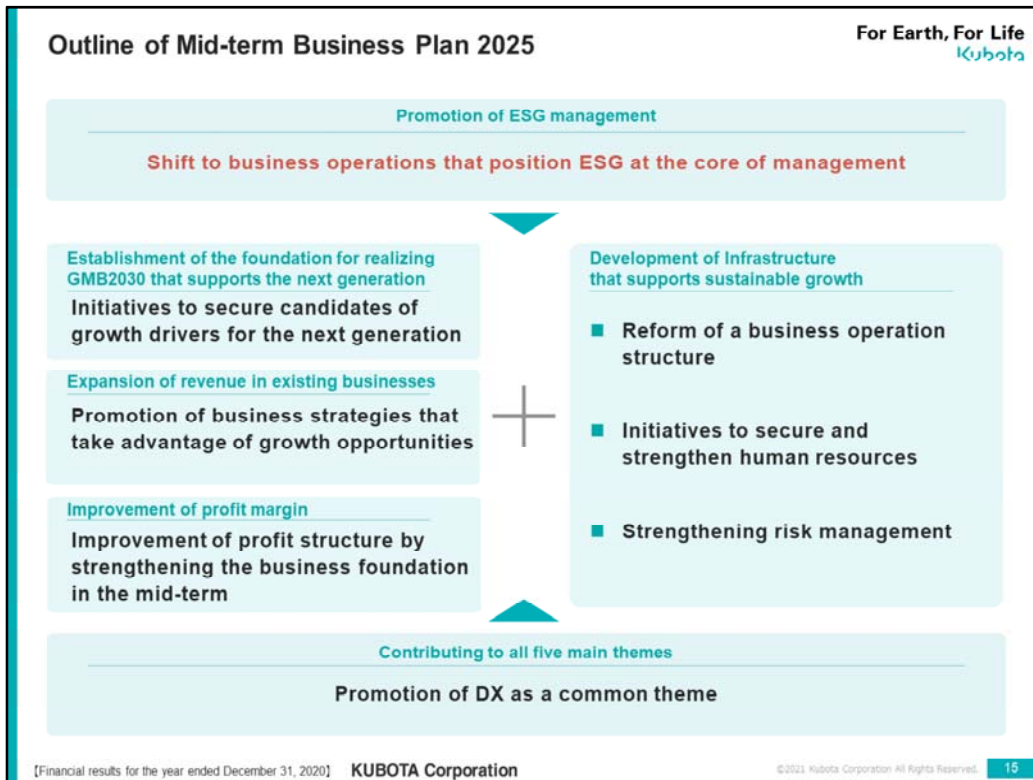
What should be

- [Promotion of ESG management]**
 - Kubota should develop unique ESG management in an own way
 - Aiming to achieve carbon neutral in 2050, Kubota should finish drawing “blueprint” for the achievement of it
- [Establishment of the foundation for realizing GMB2030]**
 - Kubota should secure multiple themes that will lead to revenue and profit in and after 2026, and these themes should progress toward commercialization.
- [Expansion of revenue in existing businesses]**
 - Each division should have scenarios for enhancement and growth toward 2030 and implement measures.
- [Improvement of profit margin]**
 - Kubota should transform into a structure capable of generating sufficient profits and achieve both securement of investment resources and improvement of profitability.
- [Development of Infrastructure that supports sustainable growth]**
 - Kubota should establish management control system in response to the current globalization.
 - Kubota should secure human resources who ensure sustainable growth and realize diverse values and work styles.
 - Kubota should consolidate appropriate risk management system as an infrastructure.

Current status of Kubota

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We position the 5 years in Mid-Term Business Plan 2025 as the period to complete the establishment of foundation for the realization of GMB2030, and set what should be in 2025 about each of the five main themes that I have just explained. The main points about each contents are described from the first, “promotion of ESG management”, to the fifth, “development of infrastructure that supports sustainable growth”, and I will explain in detail later.



The initiatives to achieve what should be are the outline of this Mid-term Business Plan.

At first, we will work to shift to business operations that position ESG at the core of management as “promotion of ESG management”.

Next, as initiatives of enhancement in business areas, we will promote following initiatives:

- Initiatives to secure candidates of growth drivers for the next generation
- Promotion of business strategies that take advantage of growth opportunities
- Improvement of profit structure by strengthening the business foundation in the mid-term

In addition, as initiatives related to business operations, we will promote following initiatives:

- Reform of a business operation structure
- Initiatives to secure and strengthen human resources
- Strengthening risk management

In addition, we will work to promote DX as a common theme related to all five main themes.

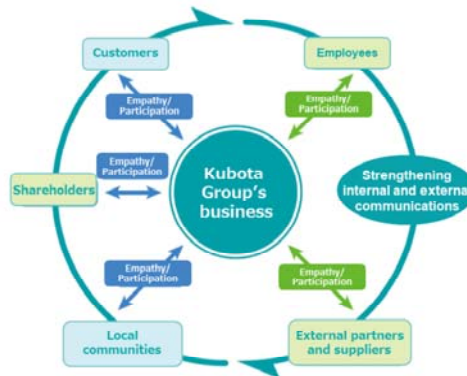
Shift to business operations that position ESG at the core of management

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- ▶ As a company that engages in reducing environmental impacts and solving social issues through business, **Kubota promotes its own unique ESG initiatives (K-ESG)** in addition to general initiatives. With respect to environmental aspect, Kubota created environmental vision, "Striving for zero environmental impact, Kubota will contribute to the realization of carbon neutral and resilient society in the area of "food, water, and the environment".
- ▶ **ESG Management Strategy Meeting and ESG Promotion Department are established under the direct control of the President.**
- ▶ ESG Management Strategy Meeting is positioned as the institution that determines not only ESG initiatives but also the Group's important business management policies, and **ESG will be recognized as the basis for decision-making on future business development.**

| | K-ESG (Examples) |
|--|--|
| E : Environment | <ul style="list-style-type: none"> • Initiatives aiming at carbon neutral by 2050 • Promoting resource recycling as a business (environmental impact reduction + CO2 reduction) • Commercialization of reducing environmental impact in manufacturing |
| S : Society + Stakeholders * | <ul style="list-style-type: none"> • Promoting to solve social issues as a business =>Realization of the concept that "Growth of Kubota's business leads to solution of social issues" • Providing all stakeholders with opportunities to contribute to solving social issues through gaining "empathy" and "participation" for Kubota's business |
| G : Governance | <ul style="list-style-type: none"> • Expanding internal communication =>Unification of intentions in a range of management to all employees • Promoting appropriate information disclosure to each stakeholder |

* "S" in K-ESG means "society" as well as "all of stakeholders"



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16

As corporate social responsibility has become heavier and heavier, in order to continue to be a sustainable company in the future, we will promote initiatives which focus on ESG more than ever.

However, as a company whose business area is food, water, and the environment and that engages in reducing environmental impacts and solving social issues through business, we have defined Kubota Group's unique ESG initiatives rooting in Kubota global identity (our corporate philosophy) as K-ESG, and will promote this in addition to general ESG initiatives.

In order to accelerate and strengthen these initiatives, we have established ESG Management Strategy Meeting and ESG Promotion Department under the direct control of the President, and will raise awareness of ESG throughout the Group and these organization will control various initiatives. In addition, we will recognize ESG as the basis for decision-making on future business development.

Furthermore, "S" of ESG is generally "S" of social, but we also regard "S" as stakeholder. By strengthening internal and external communications, we will provide all stakeholders with opportunities to contribute to solving social issues through gaining "empathy" and "participation" for Kubota Group's business. Moreover, we positioned an initiative aiming at carbon neutral in 2050 as the theme we should focus on and created environmental vision.

The details of our environmental vision will be announced at a later date, but we aim to achieve the realization of carbon neutral in 2050 through two approaches. First one is to reduce CO2 emissions from our operations and our products. Second one is to reduce CO2 emissions in society through the various solutions we provide.

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Initiatives to secure candidates of growth drivers for the next generation

Establishment of a structure from selection of themes to commercialization

ESG Management Strategy Meeting The following items toward the realization of GMB2030 will be controlled as important matters for the future

| | | |
|---------------------------------|--|---------------------|
| Selection of development themes | R&D organizational structure and division of roles | Business incubation |
|---------------------------------|--|---------------------|

Initiatives of R&D and Commercialization

Aiming to secure multiple business models, products, services, and market candidates that become the growth drivers in the next generation by 2025

Commercialization

- 3F Innovation**
 - Innovation center
 - R&D Dept. / Planning & Control Dept.
- 2F Incubation**
 - R&D Dept.
 - New business promotion Dept.
- 1F Core business**
 - Each business Dept.

Long-term

- Addressing disruptive technologies
- Developing new businesses and products looking 10 years ahead
- Developing products and operating businesses looking five years ahead
- Developing current products

Short-term

Balanced activities and resource allocation

- Solutions to enhance the productivity and safety of food
- Solutions to promote the circulation of water resources and waste
- Solutions to improve urban and living environments

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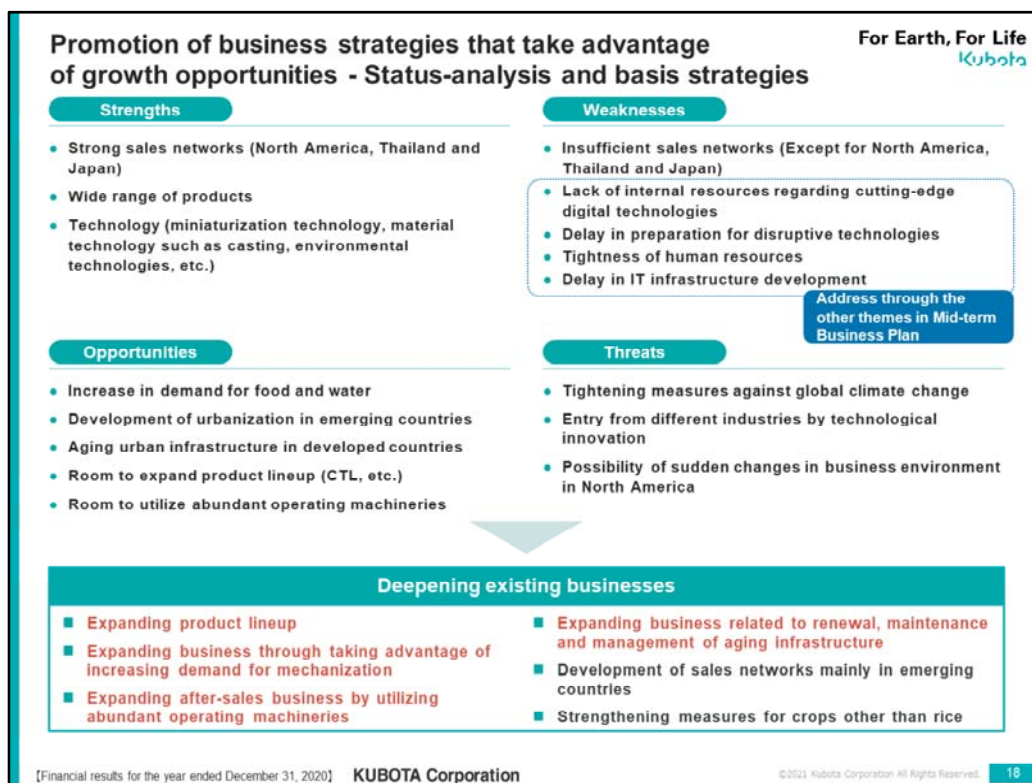
Next slide is about the initiatives to secure candidates of growth divers for the next generation.

ESG Management Strategy Meeting will serve as the command post, and control selection of development and business themes, R&D organizational structure and division of roles, and business incubation toward the realization of GMB2030.

Innovation Center was launched in 2019 and has already started its activities. In order to create new businesses, we will rebuild the ideal management and organizational structure from theme selection to commercialization.

In addition, we aim to secure multiple business models, products, services, and market candidates that become growth drivers in the next generation by 2025 through balanced activities and resource allocation from developing current products to long-term oriented initiatives.

By operating these businesses in the next five years, we will develop into a sustainable company that can respond to change and achieve dramatic growth.



In order to take on the challenge of realizing GMB2030, it is essential that our existing businesses are well evaluated in the market and continue to grow steadily. Based on a SWOT analysis of our current status, we will steadily promote business strategies to take advantage of growth opportunities in existing businesses, and work to deepen existing businesses.

Our basic strategies for these are as you can see. Especially we set four themes bellow as key basic strategies for future growth and each business division will strongly promote necessary initiatives:

1. Expanding our product lineup
2. Expanding business through taking advantage of increasing demand for mechanization
3. Expanding after-sales business by utilizing abundant operating machineries
4. Expanding business related to renewal, maintenance and management of aging infrastructure

We set concrete four business areas, which I will explain from now, as growth drivers and will steadily grow our existing businesses by priority allocation of management resources to them.

Promotion of business strategies that take advantage of growth opportunities – Growth drivers

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CE business in North America

Aiming for a significant increase in market share by expanding product lineup and locally integrated operations of development, production, and sales

1 Expansion of product lineup

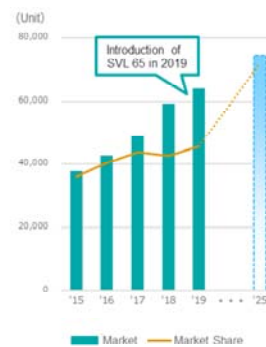
[Comparison of product lineup with a competitor]

| CTL | Kubota | Competitor | Market units in the U.S. in 2019 |
|--------------|-----------------|------------------|----------------------------------|
| 0 < 2000lbs | | 2 models | 6,400 |
| 2000 < 2300 | SVL65 | 3 models | 20,200 |
| 2300 < 2600 | SVL75 | 1 model | 13,300 |
| 2600 & Over | SVL95 | 4 models | 24,300 |
| Total | 3 models | 10 models | 63,900 |



CTL (SVL95)

CTL Market and Market Share in the U.S.



2 Establishment of locally integrated structures of development, production, and sales

- Smooth start-up of the manufacturing base in North America for mass production in 2022
- Establishment of CE Engineering Dept. North America and promotion in development of products produced locally
- Internal production of attachments for CE and expansion of lineup

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The first growth driver is CE business in North America.

Market of small CE, especially of compact track loader, in North America has grown significantly over the past few years and is expected to continue to grow from now as well.

Since our entry into the market in 2010, we have steadily increased our market share, but our current product lineup is limited compared to our competitors. We believe that there is significant room for growth by expanding our product lineup. In addition, we announced that we will start local production in the U.S. from 2023, and we newly established CE Engineering Dept. in North America in February of this year.

Through these, we will promote to establish locally integrated structures of development, production, and sales.

Promotion of business strategies that take advantage of growth opportunities – Growth drivers

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Farm & Industrial Machinery business in ASEAN

Aiming for a further increase in sales of farm equipment and CE along with urbanization

1 Expansion of business domain by introducing new products

- Expansion into new domain through introduction of low-cost basic tractors
- Introduction of low-cost and over 100 horsepower combine harvesters
- Expansion of CE in ASEAN countries

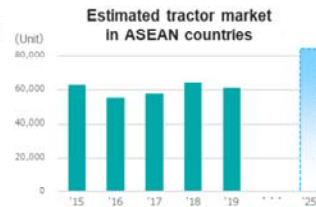
2 Promotion of R&D rooting in local areas

- Promotion of product development that meets local needs, such as implements for upland farming, by strengthening cooperation between KRDA* and sales subsidiaries

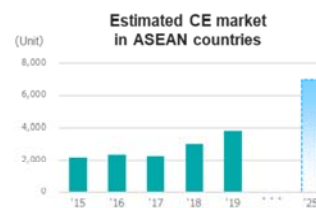
* Kubota Research & Development Asia (R&D center in Thailand)

3 Enhancement of retail finance in ASEAN countries

- Accelerating mechanization in ASEAN by enhancing retail finance in addition to introducing low-cost tractors



**The figures are the total number of ASEAN market targeted, and estimated by Kubota.



**The figures from 2015 to 2018 are for Thailand only. Figures for 2019 and 2025 are the total number of ASEAN market targeted, and estimated by Kubota.

The second growth driver is Farm & Industrial Machinery business in ASEAN. Demand for both farm equipment and CE can be expected to expand further more along with urbanization in ASEAN countries. In order to take advantage of this growth opportunity and lead to steady expansion of business, we will promote introduction of new products, such as unprecedented harvesters and implements for upland farming that will contribute to the promotion of mechanization, and R&D rooting in local areas to support these initiatives. In addition, we will support our customers from a financial perspective and accelerate mechanization in ASEAN countries by enhancing retail finance business.

Promotion of business strategies that take advantage of growth opportunities – Growth drivers

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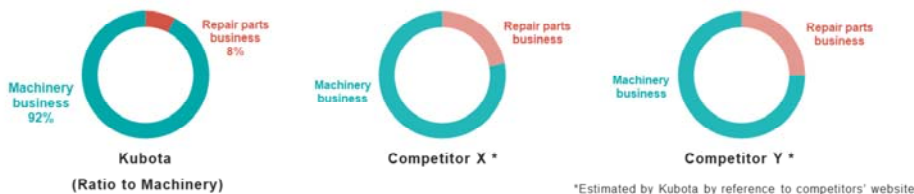
After-market business of Farm & Industrial Machinery

Aiming to expand "after-sales business" by utilizing abundant operating machineries on a global level

1 Expansion of repair parts business

- "After-sales business" is advantageous from the perspective of competitive environment unlike the product market, and leads to the stabilization of business performance even in rapid changes in the environment.
- Kubota's ratio of repair parts business to total revenue is lower than that of competitors at present, therefore there is much room for expansion.
- Expansion of product lineup other than genuine repair parts to meet diverse customer needs
- Business expansion by price setting that is strategic and meets local price indices

Comparison in ratio of revenue from repair parts business to total revenue



2 Expansion of domestic maintenance business

- Introducing a multi-year maintenance contract and providing value through operation period of machinery
- Business expansion through timely receipt of maintenance orders by utilizing IoT

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21

The third growth driver is after-market business of Farm & Industrial Machinery. As a result of our global business over a long time, our abundant products are currently operating around the world.

On the other hand, our ratio of revenue from repair parts business to total revenue in Farm & Industrial Machinery accounts for less than half compared to that of competitors, and we believe there is tremendous room to expand the business by taking advantage of our abundant operating machineries.

In addition, after-sales business is advantageous from the perspective of competitive environment unlike the product market, as customers generally buy repair parts handled within the stores where they purchased their products. Moreover, there is also an advantage that the business contributes to the stabilization of business performance even in rapid changes in the business environment, as repair parts are needed on a regular basis as long as the products are in use.

We will steadily expand our business by expanding our product lineup to meet diverse customer needs, setting strategic prices, and expanding domestic maintenance business.

Promotion of business strategies that take advantage of growth opportunities – Growth drivers

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Water & Environmental Solutions Business

Along with the labor shortages in local governments and aging infrastructure, aiming to shift from equipment sales-oriented business to O&M- and solution-oriented business by utilizing IoT and other technologies

1 Expansion of environmental O&M business

- Optimal proposition of repair and renewal by utilizing diagnosis technology (IoT technologies such as KSIS)
- Reducing costs by labor-saving

2 Expansion of pipeline solution business

- Expansion of renewal, maintenance, and control business of aging pipelines by utilizing construction technique (construction method), sensing, etc.
- Expansion of orders for pipeline DB (Design Build) projects
- Sales expansion of smart waterworks integrating new construction technology (such as simple jointing equipment) and construction management utilizing IoT

3 Establishment of structure to support expansion of environmental O&M business and pipeline solution business

- Enhancement of cooperation among group companies by integrating offices in Tokyo
- Expanding the range of order receipts through the leverage of Water & Environmental Solutions Developing and Sales Department
- Reorganization of business organizations and integration of core systems
- Horizontal share of O&M know-how within Kubota Group

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22

The fourth growth driver is Water & Environmental Solutions Business.

In Japan, there are issues of manpower shortage in local governments and aging infrastructure. In addition, similar issues are expected to occur overseas in the future.

In order to address these issues, we will aim to shift from equipment sales-oriented business to O&M- and solution-oriented business by utilizing IoT and other technologies.

In addition to expanding O&M business for water and environment-related facilities by optimal proposition of repair and renewal by means of KSIS and reduction of costs by labor saving, we also aim to expand pipeline solutions business, including renewal, maintenance, and controlling of aging pipelines, by using our proprietary construction methods and sensing technologies.

In addition, we will further enhance cooperation among group and develop structure to promote these businesses more efficiently.

Promotion of business strategies that take advantage of growth opportunities – Target of revenue

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- ▶ Revenue in Machinery and Water & Environment (Water) is expected to increase by 20% from FY2019.
- ▶ Results of initiatives to secure candidates of growth drivers for the next generation are not included.

| (billions of yen) | FY2019 Actual | FY2025 Target | Changes | | FY2020 Actual |
|----------------------|----------------|----------------|---------------|-------------|----------------|
| Japan | 306.3 | 323.0 | +16.7 | +5% | 292.9 |
| North America | 668.0 | 855.0 | +187.0 | +28% | 635.3 |
| Europe | 236.7 | 260.0 | +23.3 | +10% | 215.5 |
| ASEAN | 197.1 | 252.0 | +54.9 | +28% | 192.6 |
| Others | 150.2 | 180.0 | +29.8 | +20% | 172.5 |
| Machinery | 1,558.3 | 1,870.0 | +311.7 | +20% | 1,508.8 |
| Water | 330.1 | 400.0 | +69.9 | +21% | 315.8 |
| Other | 31.6 | 30.0 | -1.6 | -5% | 28.7 |
| Total revenue | 1,920.0 | 2,300.0 | +380.0 | +20% | 1,853.2 |

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By promoting these business strategies, we aim to achieve revenue of 2.3 trillion yen in FY2025.

The target of Mid-term Business Plan is compared to the results in FY2019, as the results in FY2020 were affected by the infection spread of COVID-19.

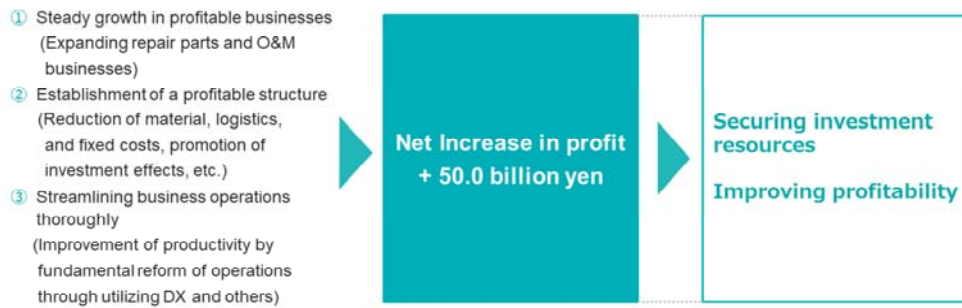
Revenue in Machinery and Water & Environment (Water) is expected to increase by 20% from FY2019.

Results of our initiatives to secure candidates of growth drivers for the next generation, which I explained earlier, are not included in the target of revenue in FY2025 because we think that outcomes from these initiatives will be realized mainly in FY2026 and later.

Improvement of profit structure

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- ▶ Kubota aims to generate a net increase in **profit of ¥50.0 billion (compared to FY2019) in 2025** and achieve both securement of investment resources and improvement in profitability.
- ▶ The initiatives cover not only reduction in fixed costs, but also all aspects of business activities such as reduction of variable costs and promotion of investment effects.



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24

Next initiative is improvement of profit structure by strengthening the business foundation in the mid-term.

Kubota's own ESG initiatives and the realization of GMB2030 will require investment in ESG areas, such as various disaster risk responses, workplace environment improvement, and safety and quality improvement, in addition to proactive investment of resources in intangible assets, such as intellectual property, human resources, and promotion of DX.

We will generate a net increase in profit of 50.0 billion yen in FY2025 compared to FY2019, and aim to achieve both securement of investment resources and improvement in profitability by working on strengthening the business foundation covering all aspects of business activities including steady growth in profitable businesses, establishing a profitable structure, and streamlining business operations thoroughly.

Reform of a business operation structure

Transforming operation structure in response to globalization

- ① Reform of production and procurement layout
- ② Establishment of global management and control structure

Initiatives to secure and strengthen human resources

Aiming to strengthen human resources who support sustainable growth by strengthening recruitment and cultivation, as well as providing opportunities

- ① Expansion of human resources (utilization of recruitment and external resources)
- ② Supporting for human resources to play active roles in creative work by improving operational productivity
- ③ Improving capabilities and skills of human resources

Strengthening risk management

Aiming to develop and expand organization that can develop countermeasures more actively in response to various risks

- ① Countermeasures for BCP (natural disasters, pandemics, geopolitical risks, etc.)
- ② Countermeasures for compliance risks
- ③ Countermeasures for cyber and security risks
- ④ Countermeasures for business risks

As a part of our efforts to develop infrastructure to support sustainable growth, we will promote the reform of our business operation structure, initiatives to secure and strengthen human resources, and strengthening risk management.

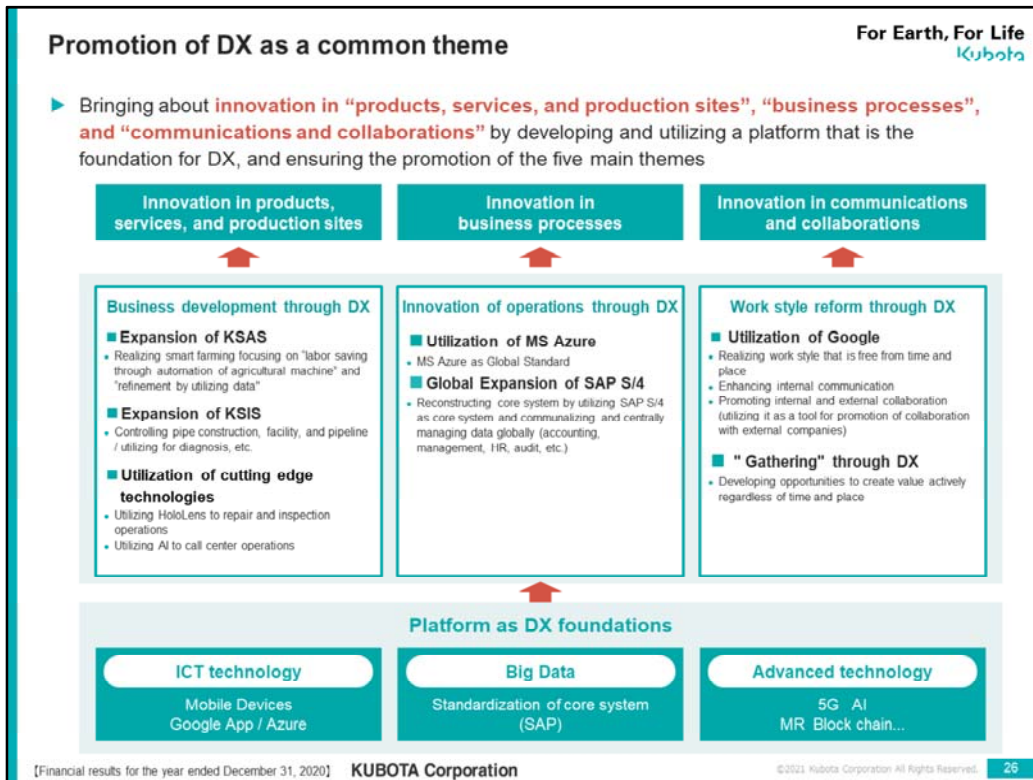
With respect to reform of our business operation structure, we aim to transform our operation structure in response to globalization, and will promote the reform of production and procurement layout and the establishment of a management and control structure, which properly grasps and manages our globally expanding business.

With respect to initiatives to securing and utilizing human resources, considering the globalization along with business expansion, we will develop education system so that all employees perform at a higher level and implement concrete measures to make it possible to cultivate employees for sure in the actual operations.

In addition, we have launched a new project to address the various issues that have emerged from COVID-19. The project will focus not only on work style reform but also on reform to realize rewarding work environment.

We will also promote active appointment of local human resources and the development of human resources who are capable of playing an active role in the global operation.

With respect to strengthening risk management, while risks that threaten business continuity have diversified in recent years, we aim to develop and expand our organization that actively develop countermeasures for BCP in response to natural disasters, pandemics, and geopolitical risks and responses to various risks, such as compliance risks, cyber security risks, and other business risks.



Next initiative is promotion of DX as a common theme. We believe that DX will be necessary in all aspects of future transformation. We will bring about innovation to “products, services, and production sites,” “business processes,” and “communications and collaborations” by developing and utilizing platforms that are the foundation for DX, such as ICT technology, big data, 5G, and AI. These foundations ensure the promotion of the aforementioned five themes.

Mid-term Business Plan 2025 Financial Targets (PL)

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| (billions of yen) | FY2019 (Actual) | FY2025 (Target) | Changes | | FY2020 (Actual) |
|-------------------|--------------------|--------------------|---------|-------|--------------------|
| | | | Amount | % | |
| Revenue | 1,920.0 | 2,300.0 | +380.0 | +19.8 | 1,853.2 |
| Machinery | 1,558.3 | 1,870.0 | +311.7 | +20.0 | 1,508.8 |
| Water | 330.1 | 400.0 | +69.9 | +21.2 | 315.8 |
| Other | 31.6 | 30.0 | -1.6 | -5.1 | 28.7 |
| Operating profit | 10.5% 201.7 | 13.0% 300.0 | +98.3 | +48.7 | 9.5% 175.3 |



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27

Finally, I will explain financial targets in Mid-term Business Plan 2025.

Revenue in FY2025 is expected to increase by 20% from FY2019 to 2.3 trillion yen, as explained earlier. Operating profit is expected to increase by 50% from FY2019 to 300.0 billion yen. We aim to raise operating margin to 13%.

Mid-term Business Plan 2025 Financial Targets (Other)

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- ▶ Aiming at focusing not only on revenue and profit but also on capital efficiency
- ▶ Generating free cash flow of ¥280.0 billion (cumulative total of 5 years), taking into account an increase in capital expenditures, R&D expenses, and finance receivables
- ▶ Aiming to improve shareholder return ratio as enhancement of shareholder return

| | FY2019 (Actual) | FY2020 (Actual) | FY2021~FY2025 (Target) |
|--------------------------|--------------------|--------------------|---|
| ROE | 10.7% | 8.8% | Maintain over 10% / over 11% in 2025 |
| Shareholder return ratio | 42.7% | 49.4% | Set the mid-term target of over 40%, and aim at 50% |
| Operating CF | 82.4 billion yen | 142.9 billion yen | 880.0 billion yen (cumulative total of 5 years) |
| FCF | -12.4 billion yen | 58.2 billion yen | 280.0 billion yen (cumulative total of 5 years) |

(Assumptions)

Total interest-bearing liabilities as of end of FY2025: 1,200.0 billion yen

Total finance receivables as of end of FY2025: 1,500.0 billion yen <Net cash outflow due to an increase in finance receivables is forecast to be ¥380.0 billion (cumulative total of 5 years), which is included in net cash provided by operating activities and free cash flow.>

| (billions of yen) | FY2019 (Actual) | FY2020 (Actual) | Cumulative total of 5 years (FY2021~FY2025 Plan) |
|----------------------|--------------------|--------------------|---|
| Capital expenditures | 86.7 | 87.2 | 600.0 |
| R&D expenses | 53.1 | 55.3 | 400.0 |

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In this Mid-term Business Plan, we aim at focusing not only on revenue and profit, but also on capital efficiency. We will also strive to strengthen shareholder returns. For this reason, we have also set various targets as shown here.

- We will maintain ROE of over 10% from FY2021 to FY2025, and aim over 11% in the final fiscal year of FY2025 in the plan.
- We set the target of shareholder return ratio over 40% as the mid-term target, and aim at 50%.
- We aim operating cash flow of 880.0 billion yen and FCF of 280.0 billion yen in cumulative total of 5 years from FY2021 to FY2025.

Since Kubota Group has adopted IFRS, operating CF and FCF include net cash outflow due to an increase in finance receivables. We assume that net cash outflow due to an increase in finance receivables, which is assumptions of the targets of operating CF and FCF, is forecast to be 380.0 billion yen in cumulative total of 5 years.

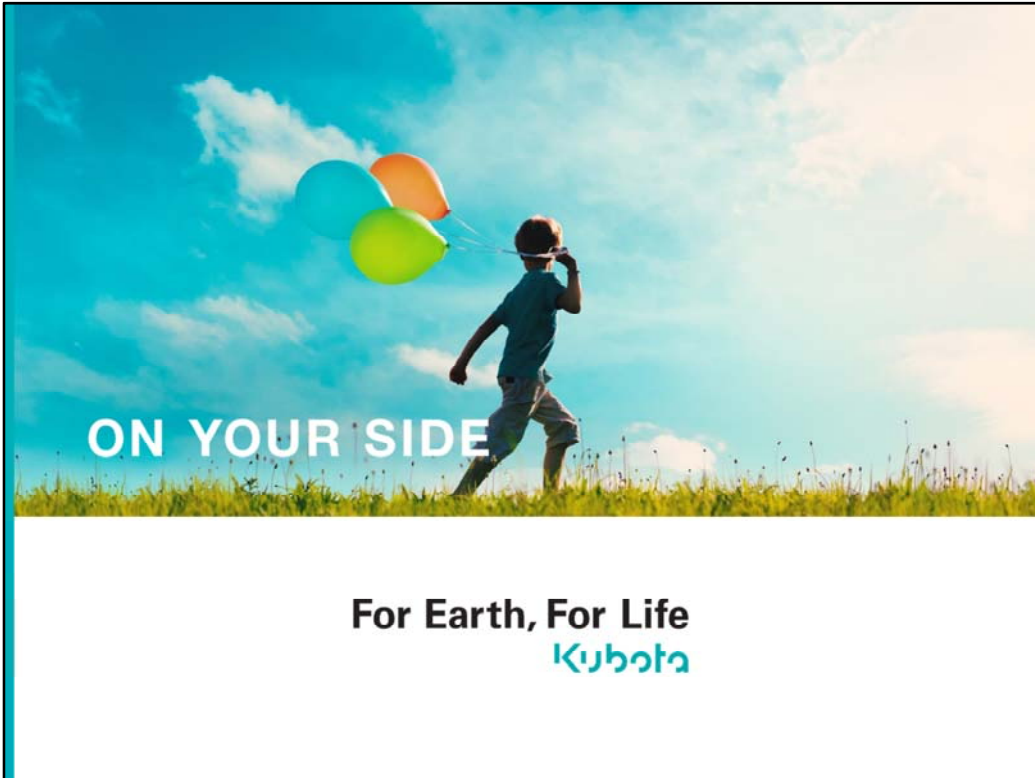
In addition, in order to proactively invest in Kubota's own ESG initiatives and some areas to realize GMB2030, we plan 600.0 billion yen in capital expenditures and 400.0 billion yen in R&D expenses for cumulative total of 5 years.

The entire Kubota Group will work together to achieve Mid-term Business Plan, fulfill social responsibilities, and further expand our business.

I believe that, if we can realize what should be in 2025, we will be ready to accelerate our activities toward the realization of GMB2030, and we will be able to develop into a sustainable company.

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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