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Foreword—a look back at 2020

In 2020, our business faced a difficult situation due to proliferation of the new coronavirus disease (COVID-19) and the resulting economic stagnation. However, thanks to the support of our customers and other stakeholders involved in our business, we have managed to overcome these challenging conditions. This was a year in which I was reminded once again that Kubota's business is supported by deep-rooted needs and expectations, even during the COVID-19 pandemic, and that it is an essential concern that is deemed a necessity for society.

This year marks the start of our newly formulated long-term vision and new mid-term business plan. The Kubota Group's vision is to be "a company that can make the greatest contribution to society by earning the trust of the greatest number of customers," and to that end we aim to accelerate innovation to solve issues related to food, water and the environment around the world.

Our long-term vision for the next decade: GMB2030

I strongly feel that around the world humanity has come to a common realization that the current state of society cannot be sustained forever due to the complex and interconnected nature of environmental issues such as climate change and air pollution, natural disasters and pandemics, population and resource issues, as well as global political issues. We have formulated our long-term vision GMB2030 with the hope that all 40,000 employees of the Kubota Group will share this vision, considering what Kubota should do and how we should proceed in order to face the various challenges that may arise over the next 10 years, in order to preserve a lifestyle that is sustainable day-to-day.

Our vision for 2030 is to be an "Essentials Innovator for Supporting Life," committed to a prosperous society and cycle of nature that reaffirms what Kubota has been doing for the past 130 years. Looking back on our business activities over the past 130 years, we will continue to support a rich society, the cycle of nature and social infrastructure as an

An "Essentials Innovator for Supporting Life," committed to a prosperous society and cycle of nature

The entire Kubota Group will come together to support the enrichment of people's lives in the fields of food, water and the environment, which are indispensable to the survival of humankind, as well as contributing to the resolution of social issues.

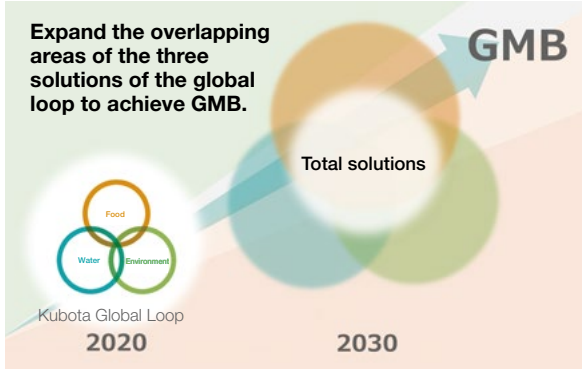
"essentials innovator." Here an "essentials innovator" refers to a company that provides a service that you must use when you want to do something. To this end, we are using the term "essentials innovator" to express our aspiration to become a company that is indispensable to society by ensuring that Kubota's products and services are used in the fields of food, water and the environment. We will reach out to related companies and organizations to participate in the platform we are building, as we seek to build a foundation for cooperation. In order to achieve this goal, we are investing in various start-up companies to complement the areas where we are lacking, as we try to build a win-win relationship with these enterprises. We believe that it is our mission and role to continue to contribute to the food, water and the environmental fields by providing our products and services in 2030 and beyond to 2050.

Three solutions to pursue as pillars of business development going forwards

Our vision identifies three solutions as pillars of business development: "Enhancing the productivity and safety of food," "Promoting the circulation of water resources and waste," and "Improving urban and living environments."

We believe that each of these solutions, including those that we are already working on as well as those that are in the beginning stages or are still under consideration, has great potential for growth by leveraging the synergies of each of our businesses, with highly competitive products and technologies at their core. By building an ecosystem with various business partners, we will provide total solutions and transform ourselves into a "solution provider" that directly contributes to solving the world's social issues.

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Kubota's Vision and Direction

The first solution seeks to “enhance the productivity and safety of food.” For the production of crops such as rice, wheat, and fruit trees, we will develop automated and unmanned agricultural machinery and provide automated management systems that utilize AI. We will provide solutions for the entire food value chain as part of an “Open Agri-Platform” that can be shared not only with the agricultural sector but also with other industries.

The second solution seeks to “promote the circulation of water resources and waste.” This involves the creation of a platform to support the entire water and waste cycle. For example, for waste generated from agriculture, water circulation and economic activities, we will build a total solution for resource recovery and reproduction based on the recovery technology of phosphorus or valuable metals, combined with technologies owned by other companies.

The third solution seeks to “improve urban and living environments.” We will provide a monitoring and management platform for water supply and sewage facilities and river floods that utilizes plant information and sensors, and contribute to the development of

efficient, disaster-resistant and sustainable infrastructure. Furthermore, we will promote the smart construction of underground infrastructure and construction equipment, in addition to giving consideration to services that build an integrated platform for underground information.

Furthermore, the foundation for these new solutions will be the existing businesses that we are currently developing. Based on the activities of the existing businesses, the R&D department will play the role of promoting the commercialization of new businesses, while the Innovation Center and Corporate Planning Department will keep an eye on social trends as well as searching for the seeds of new businesses. We will continue to search for new technologies and business by uniting and aligning these vectors and create new value by integrating existing businesses, the development of our long-term vision, and the promotion of these three solutions.

Shift to business operations with Kubota's unique ESG at the core of management

In line with the targets of the SDGs and the Paris Agreement that are shared with other global long-term goals, in order for Kubota to continue to be a sustainable company in the face of increasing demands for corporate social responsibility, we will promote initiatives with a greater awareness of ESG (Environment, Society and Governance) than ever before. As a company engaged in the reduction of environmental impact and the resolution of social issues in its business activities in the fields of food, water and the environment, we have defined K-ESG as the Kubota Group's unique ESG measures—measures that are rooted in the

Business Development to Realize GMB2030

- Provide total solutions by creating an ecosystem with business partners active in various fields

Business Development	How our businesses are developing (current snapshot)
<p>1 Solutions to enhance the productivity and safety of food</p> <p>Food Water Environment</p>	<ul style="list-style-type: none"> ● Yield expansion, crop quality improvement, and productivity improvement (e.g. advanced Smart Agriculture) ● Solving problems across the entire food value chain ● Next-gen crop production
<p>2 Solutions to promote the circulation of water resources and waste</p> <p>Food Water Environment</p>	<ul style="list-style-type: none"> ● Reduction of environmental impact from social and industrial activities ● Purification and reuse of domestic wastewater and sewage ● Zero landfill waste and resource recovery from waste (e.g. provision of resource recovery solutions) ● Establishment of an eco-system for CO₂ reduction
<p>3 Solutions to improve urban and living environments</p> <p>Water Environment</p>	<ul style="list-style-type: none"> ● Improving the efficiency of urban social infrastructure management (e.g. building a water environment platform) ● Creation of higher quality, more comfortable and safer living spaces

Kubota Global Identity that we will seek to promote.

In order to accelerate and strengthen these initiatives, we will raise awareness of ESG throughout the Group, oversee various measures, and use ESG as a basis for decision-making regarding future business development. In addition, we have formulated an “Environmental Vision” to show the direction of our business from an environmental perspective toward 2050. The vision states that we will “contribute to the realization of a carbon-neutral and resilient society in the fields of food, water and the environment, while facing the challenge of achieving zero environmental impact.” We will meet the challenge of carbon neutrality by 2050 through two approaches: reducing CO₂ emissions from Kubota as a company and the products we manufacture, and through the various solutions we provide.

New mid-term business plan

In the new mid-term business plan, we have positioned the five years from 2021 as a period for laying the groundwork for the realization of GMB2030 and this is also when we will construct the framework for our business activities. During this period we will continue to address various business challenges, in addition to responding to the changes in the business environment surrounding the Kubota Group. To this end, we will implement measures across five main themes: promoting of ESG management, laying the foundation for the realization of GMB2030 to support the next generation, expanding existing business sales, improving profit margins and developing infrastructure to support sustainable growth. We will also work to promote digital transformation (DX), which is a common thread across all these themes.

In addition, we will search for development and business themes from a long-term perspective and allocate management resources intensively. By 2025, we hope to have secured several candidate themes that can become drivers of future growth by completing everything from theme selection to the establishment of a business management system within the period of the mid-term business plan. At the same time, we will vigorously pursue reforms to our profit structure, including targeting steady growth in high-margin fields, building a profitable business structure and thorough streamlining of business operations. As a result, we aim to achieve net sales of 2,300 billion yen and operating income of 300 billion yen by 2025.



In closing

It will not be easy to achieve the goals of GMB2030 and the new mid-term business plan, but we will do our utmost to make them a reality. The entire Kubota Group will work together to achieve the goals of the mid-term business plan, and we will further expand our business by contributing to the SDGs and solving various social issues that may arise in the future. We will accelerate our activities toward the realization of GMB2030 by mobilizing the collective strength of the 40,000-strong Kubota Group, and we will push forward in the belief and expectation that we will develop as a sustainable company.