

Social Report

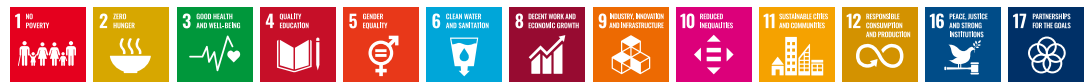
Targets and Results Concerning Social Aspects

The Kubota Group aims to increase the satisfaction of its various stakeholders and enhance its corporate value by implementing the PDCA cycle in each category.

Summary of Social Report for FY2020, and Priority Issues for FY2021 and Medium-Term Targets

Materiality	Major items	Main focus of activity	Plan	Do	Applicable boundary shown to the left
			Priority issues for FY2020	Activity results in FY2020	
Customers	Customer satisfaction	Quality and services to improve customer satisfaction	<ul style="list-style-type: none"> Phase-in testing automation systems 	<ul style="list-style-type: none"> Rolled out testing automation systems to eight offices 	All domestic Group companies
			<ul style="list-style-type: none"> Strengthen ICT usage and quality assurance functions 	<ul style="list-style-type: none"> For the early detection and quick response to quality issues, Kubota is working to rebuild its quality assurance business processes, making use of data and digital technology, and has initiated testing beginning with the Construction Machinery Division. 	All Group companies, including overseas
			<ul style="list-style-type: none"> Accurate answer and quick response to the enquiries from customers. 	<ul style="list-style-type: none"> "Satisfied for the answer Ratio": 99.2%. <measured by Kubota internal standard> 	Kubota Corporation only
			<ul style="list-style-type: none"> Solve the customer's issues by online FAQs in a more convenient way rather than by telephone conversation or e-mail correspondence. 	<ul style="list-style-type: none"> "FAQs views" on "Kubota Agricultural Solution Products Web Site", were down compared to that in last year, but "Resolution Ratio" was 51.2%, up 2.4 points. 	All domestic Group companies
Suppliers	CSR procurement initiatives	CSR procurement initiatives	<ul style="list-style-type: none"> Further expand the global development of manufacturing improvement activities and promote optimal global procurement 	<ul style="list-style-type: none"> Promoted improvement activities based on KPS by uniting procurement managers and suppliers, and developed activities to improve one another's manufacturing globally 	Kubota Corporation (Farm & Industrial Machinery) All overseas Group companies (Farm & Industrial Machinery)
			<ul style="list-style-type: none"> Get a firm idea of suppliers' CSR systems, which is linked to improvement 	<ul style="list-style-type: none"> Requested major domestic and overseas suppliers assess their own operations with a CSR procurement check sheet 	Kubota Corporation (Farm & Industrial Machinery)
			<ul style="list-style-type: none"> Expand the suppliers eligible to receive awards for environment-friendly activities and environmental load reduction activities such as saving energy and recycling, and expand the awards both in Japan and overseas 	<ul style="list-style-type: none"> Encouraged business partners to participate in the award system, and awarded those who had promoted environment-friendly production activities Expanded the award system to overseas Group companies 	Kubota Corporation (Farm & Industrial Machinery) All overseas Group companies (Farm & Industrial Machinery)
			<ul style="list-style-type: none"> Continue to seek understanding of suppliers regarding our policy on conflict minerals and request their cooperation in surveys conducted by the Kubota Group 	<ul style="list-style-type: none"> Sought understanding of initiative policies by suppliers and requested their cooperation with surveys conducted by the Kubota Group Requested that suppliers formulate their policies on conflict minerals Increased verification and accuracy of CMRT information received from suppliers 	All Group companies, including overseas
Shareholders, etc.	Timely and appropriate release of information	Timely and appropriate release of information	<ul style="list-style-type: none"> Promote disclosure of a wide range of information and constructive dialogues able to meet demand of shareholders and investors through holding IR events and meetings continuously Enhance information disclosure in annual securities reports in accordance with revised Cabinet Office ordinance 	<ul style="list-style-type: none"> Engaged in constructive dialogues through meetings and held business briefing sessions (January: About Water & Environment business) in order to encourage shareholders and investors to understand Kubota's business further Enhanced information disclosure in annual securities reports in accordance with revised Cabinet Office ordinance In addition to enhancing disclosure in supplementary briefing materials, encouraged to understand Kubota's business environment through disclosing the impact of the infection spread of COVID-19 on the Kubota Group specifically 	All Group companies, including overseas
			<ul style="list-style-type: none"> Conduct activities to continuously create new shareholders 	<ul style="list-style-type: none"> Organized a facility visit for shareholders 	Kubota Corporation only
			<ul style="list-style-type: none"> Implement measures to encourage existing shareholders to hold their shares for a long period of time 	<ul style="list-style-type: none"> Held an online Company explanation session for investors 	Kubota Corporation only
			<ul style="list-style-type: none"> Disseminate straightforward, timely corporate information, so as to further understanding and increase brand appeal Strengthen consistent brand for the entire Group in Japan and overseas 	<ul style="list-style-type: none"> Completely overhauled the corporate websites (Global and Japan sites), focusing in particular on disseminating information about Group innovation and sustainability activities. As a lateral organization, took steps to tighten brand governance and reinforce brand consistency 	All Group companies, including overseas
Employees	Creating a safe workplace for all employees	Creating a safe workplace for all employees	<ul style="list-style-type: none"> Put in place measures to prevent the recurrence of equipment abnormalities 	<ul style="list-style-type: none"> Promoted the prevention of equipment malfunctions by encouraging employees to envision malfunctions, and carried out activities to eradicate hazards by eliminating malfunctions themselves 	All domestic Group companies
			<ul style="list-style-type: none"> Promote safety measures based on the Safety Control Guidelines for assessment and promotion of inherently safe equipment 	<ul style="list-style-type: none"> We have started activities to fulfill an implementation plan (FY2018-FY2022) by which all existing equipment that has not achieved Level II will be brought up to where they should be at Level II, based on the Safety Control Guidelines for assessment and promotion of inherently safe equipment. We have commenced operations so that new equipment will be brought up to the higher Level III at the time of deployment, based on the machinery safety risk assessment guidelines that were revised in FY2017 	6 domestic Group companies 16 overseas Group companies
	Creating a vibrant workplace	Creating a vibrant workplace	<ul style="list-style-type: none"> Continue to share information and hold discussions at labor-management committees 	<ul style="list-style-type: none"> Shared information and held discussions in various labor-management committees (central, business sites) on current issues, etc. Discussed and promoted initiatives for securing a work-life balance (promoting the use of annual paid leave, etc.), improving the workplace environment, etc. Discussed response to revisions of labor-related laws and regulations, examined measures to be taken, and promoted the implementation thereof 	Kubota Corporation only
			<ul style="list-style-type: none"> Promote specific measures based on the "Kubota Wellness (Mental Health) Action Plan" across the Kubota Group Strengthen initiatives to improve working environments 	<ul style="list-style-type: none"> Fully incorporate the stress check system into one-on-one follow-up interviews and pursue improvements in high-stress workplaces Standardized educational content of mental health training and improve employee knowledge levels 	All domestic Group companies
	Creating rewarding and lively workplaces	Respecting human rights	<ul style="list-style-type: none"> Continue to promote the second phase of Health Kubota 21 "No-smoking" Promote stronger anti-cancer measures Conduct gastric cancer risk tests on all employees 	<ul style="list-style-type: none"> Even amid the COVID-19 crisis, each Kubota site devotes and carries out wellness events centered on the theme of smoking abstinence Conduct gastric cancer risk tests on all employees 	All domestic Group companies
			<ul style="list-style-type: none"> Prevent harassment (sexual, maternity or power harassment, or harassment against LGBT individuals) and improve the capacity to resolve harassment in Japan by enhancing contact points for consultation 	<ul style="list-style-type: none"> Establish harassment prevention regulations in response to legal revisions and precedents to LGBT individuals and improve the capacity to resolve harassment in Japan by enhancing contact points for consultation Continued to carry out awareness-raising activities for the prevention and resolution of harassment (power harassment, sexual harassment, maternity harassment, or long-term care harassment, or harassment against LGBT individuals) in Japan, including distributors 	All domestic Group companies
		Promotion of diversity	<ul style="list-style-type: none"> Promote activities with an understanding of international standards relating to human rights 	<ul style="list-style-type: none"> Assessed the human rights conditions at overseas sites and carried out activities in accordance with the human rights standards of each country, such as announcing a statement on the UK Modern Slavery Act 	All Group companies, including overseas
			<ul style="list-style-type: none"> Promote development of female employees Hold ongoing training for female prospective managers Carry out in-depth study of diversity management Promote a main action plan for general business operations in line with laws supporting women's participation and advancement in the workplace and child-rearing Expand the scope of diversity 	<ul style="list-style-type: none"> Held female leader development training (transition to non-gender specific leader training) Established a new system for relocation, leave taking, and re-entry to prevent attrition due to spouse transfers Included same-sex and common law spouses in the definition of "spouse," expanding the eligibility scope of internal systems and welfare benefits Increased the rate of childcare leave usage among male employees Expanded employment of people with disabilities throughout the Kubota Group 	Kubota Corporation only
	Personnel policies in tune with globalization	Personnel policies in tune with globalization	<ul style="list-style-type: none"> Continue to study/implement human resource policies essential to promote global management 	<ul style="list-style-type: none"> Continued training for next-generation managers in North America, training for local managers in Europe Expanded intake of trainees at Kubota sites in Japan for the purpose of developing candidates as managers and supervisors and engineers of overseas Group companies 	All Group companies, including overseas
			<ul style="list-style-type: none"> Implement e-learning and other programs based on the Rule of Conduct 	<ul style="list-style-type: none"> Collated the Rule of Conduct (all domestic Group companies) 	All domestic Group companies
<ul style="list-style-type: none"> Promote activities to instill corporate principles, which are tied to incorporation of SDGs 			<ul style="list-style-type: none"> Spread the corporate principles through the training of new employees and company newsletters 	All Group companies, including overseas	
<ul style="list-style-type: none"> Build a system to aggregate activity results both inside and outside Japan, and release it next fiscal year in the web version Report Support activities conducted locally by overseas sites 			<ul style="list-style-type: none"> Although the system was not rolled out due to security concerns, preparations prompted the consolidation of global social contribution activity data and led to enhanced PR via the website and other venues. Reinforced information gathering on activities undertaken by overseas sites 	All Group companies, including overseas	
Communities	Social contribution activities	<ul style="list-style-type: none"> Rejuvenation and reconstruction of areas affected by natural disasters 	<ul style="list-style-type: none"> The Kubota Group did what it could to provide recovery assistance in regions around the world in response to the COVID-19 pandemic and July 2020 heavy rain damage in Japan. 	All domestic Group companies	

<SDGs related to this section>



Materiality	Major items	Main focus of activity	Check	Act	Plan
			Self-assessment	Priority issues for FY2021	Medium-term targets
Customers	Customer satisfaction	Quality and services to improve customer satisfaction	Met	<ul style="list-style-type: none"> Continue to operate testing automation systems 	<ul style="list-style-type: none"> Strengthen awareness of rules concerning quality assurance, and review governance
			Met	<ul style="list-style-type: none"> Build an early-detection mechanism for quality issues in the Construction Machinery Division in collaboration with North American distributors, and further roll out to other machinery categories 	<ul style="list-style-type: none"> Focus on improving "must-be quality." Take a three-pronged approach: early detection/quick response, prevention of recurrence, and preventive action
			Met	<ul style="list-style-type: none"> Improve and Increase FAQ Contents with internal reviews reflecting customer feedback, i.e. voice of customer-<VOC> 	<ul style="list-style-type: none"> Continuous improvement of "Call-center activities" reflecting VOC
			Met	<ul style="list-style-type: none"> Keep up the current high "satisfied for the answer" Ratio Strengthen cooperation with engineering departments or after-sale service departments aiming for more efficient "enquiry-to-response" management 	<ul style="list-style-type: none"> Strengthen our responsiveness to meet customers' various needs including machine maintenance and inspection
Suppliers	CSR procurement initiatives	CSR procurement initiatives	Met	<ul style="list-style-type: none"> Further expand the global development of manufacturing improvement activities and promote optimal global procurement 	<ul style="list-style-type: none"> Promote practices according to guidelines by suppliers of each Kubota Group company and spread CSR procurement through the supply chain
				<ul style="list-style-type: none"> Get a firm idea of suppliers' CSR systems, which is linked to improvement 	
				<ul style="list-style-type: none"> Expand the suppliers eligible to receive awards for environment-friendly activities and environmental load reduction activities such as saving energy and recycling, and expand the awards both in Japan and overseas 	
				<ul style="list-style-type: none"> Continue to seek understanding of suppliers regarding our policy on conflict minerals and request their cooperation in surveys conducted by the Kubota Group 	
Shareholders, etc.	Timely and appropriate release of information	Timely and appropriate release of information	Met	<ul style="list-style-type: none"> Promote disclosure of a wide range of information and constructive dialogues able to meet demand of shareholders and investors through holding IR events and meetings continuously Enhance information disclosure in annual securities reports in accordance with revised Cabinet Office ordinance Actively disseminate information on the Kubota Group's Long-term Vision and Mid-term Business Plan 	<ul style="list-style-type: none"> Hold ongoing dialogue with stakeholders through meetings and IR events, which contributes to the enhancement of corporate value on a medium- to long-term basis Promote IR activities to ensure an appropriate stock value reflecting the actual circumstances of the Company
				<ul style="list-style-type: none"> Conduct activities to continuously create new shareholders Continue to implement measures to encourage long-term shareholding by existing shareholders 	
			Met	<ul style="list-style-type: none"> Leverage the website and a variety of other venues to disseminate information and gain the understanding of more stakeholders for Kubota's "GMB2030" long-term vision and the 2025 mid-term management plan Tighten brand governance to gain buy-in across the Kubota Group for Kubota's businesses and corporate stance 	<ul style="list-style-type: none"> Reinforce the brand from a longer-term perspective and build up integrated communication capabilities responsive to different regions, needs, and stakeholders
				<ul style="list-style-type: none"> Put in place measures to prevent the recurrence of equipment abnormalities Promote safety measures based on the Safety Control Guidelines for assessment and promotion of inherently safe equipment 	<ul style="list-style-type: none"> Aim for all Kubota Group employees to position safety as the top priority in all tasks and, for both existing and new equipment, establish measures based on the Safety Control Guidelines for the assessment and promotion of inherently safe equipment to achieve the target of zero incidents that have the potential to lead to serious accidents, such as entrapment and entanglement by machines
Employees	Creating rewarding and lively workplaces	Creating a safe workplace for all employees	Met	<ul style="list-style-type: none"> Put in place measures to prevent the recurrence of equipment abnormalities Promote safety measures based on the Safety Control Guidelines for assessment and promotion of inherently safe equipment 	<ul style="list-style-type: none"> Aim for all Kubota Group employees to position safety as the top priority in all tasks and, for both existing and new equipment, establish measures based on the Safety Control Guidelines for the assessment and promotion of inherently safe equipment to achieve the target of zero incidents that have the potential to lead to serious accidents, such as entrapment and entanglement by machines
		Creating a vibrant workplace	Met	<ul style="list-style-type: none"> Continue to share information and hold discussions at labor-management committees 	<ul style="list-style-type: none"> Provide vibrant workplaces, and make it so that all employees of the Kubota Group can live rich, healthy lives
		Creating a vibrant workplace	Met	<ul style="list-style-type: none"> Continue to promote specific measures based on the "Wellness (Mental Health) Action Plan" across the Kubota Group 	<ul style="list-style-type: none"> Continue to promote the second phase of Health Kubota 21 and encourage wellness activities in line with site-specific issues Continue to strengthen anti-cancer measures and provide easier access to group physical examinations
			Met	<ul style="list-style-type: none"> Continue to promote the second phase of Health Kubota 21 and encourage wellness activities in line with site-specific issues Continue to strengthen anti-cancer measures and provide easier access to group physical examinations 	
		Respecting human rights	Met	<ul style="list-style-type: none"> Promote ongoing activities to prevent harassment through human rights training and other opportunities 	<ul style="list-style-type: none"> Spread activities to raise awareness of human rights across the entire Kubota Group, both inside and outside Japan
			Met	<ul style="list-style-type: none"> Establish human rights monitoring and education systems for overseas sites 	
		Promotion of diversity	Met	<ul style="list-style-type: none"> Examine further systems to support balancing family life with work Further promote employment of people with disabilities across the Kubota Group Examine LGBT-related measures Examine measures for foreign-national employees 	<ul style="list-style-type: none"> Continue promoting diversity management (investigate how to foster a corporate culture/create policies that draw out the abilities and ambitions of all employees, regardless of gender, nationality, age, etc.)
		Personnel policies in tune with globalization	Met	<ul style="list-style-type: none"> Continue to study/implement human resource policies essential to promote global management 	<ul style="list-style-type: none"> Continue training for next-generation managers in North America, training for local managers in Europe, and enhanced programs to accept trainees at Kubota sites in Japan for the purpose of developing candidates as managers and supervisors, and engineers of overseas Group companies Continue overseas language training programs (overseas exchanges, language training in North America and the Philippines, internships at overseas companies, etc.) Enhance overseas trainee program and continue the program to dispatch interns to Harvard Business School
Met	<ul style="list-style-type: none"> Implement e-learning and other programs based on the Rule of Conduct Promote activities to instill the corporate principles, which are tied to promoting SDGs activities 		<ul style="list-style-type: none"> Foster CSR- and compliance-minded employees based on the corporate principles and the Rule of Conduct 		
Communities	Social contribution activities	Contributions to international society and local communities	Partially met	<ul style="list-style-type: none"> In line with efforts to reinforce ESG management, consider policies, systems, and methods of publishing information to help further reinforce Kubota's distinctive social contribution activities 	<ul style="list-style-type: none"> Strengthen Kubota's distinctive social contribution and disaster-recovery activities at a global level but rooted in each region
		Rejuvenation and reconstruction of areas affected by natural disasters	Met	<ul style="list-style-type: none"> Continuously promote reconstruction support activities true to Kubota style, remaining aware of the themes of food, water, and the environment 	