

S

SOCIAL

95 Targets and Results Concerning Social Aspects

97 Relationships with Our Customers

- 97 R&D
- 99 Production / Quality Control
- 101 Maintaining and Improving Quality
- 103 Ensuring Skills to Maintain Customer Satisfaction
- 105 Customer Service

107 Relationships with Business Partners

- 107 Procurement

110 Relationships with Shareholders and Investors

- 110 Constructive Dialogue with Shareholders

112 Relationships with Employees

- 112 Creating a Safe Workplace for All Employees
- 118 Respecting Human Rights
- 122 Promoting Diversity
- 126 Promotion of Health & Productivity Management
- 132 Personnel Measures in Tune with Globalization
- 133 Personnel Policies and HR System (Kubota)
- 134 Fostering a CSR-based Mindset

138 Involvement with Local Communities

- 138 The Kubota e-Project
- 139 Solving Social Issues
- 141 Educating the Next Generation
- 143 Community Activities
- 145 Social Contribution Activities through Corporate Sporting Events
- 147 Disaster Recovery
- 148 Response to Asbestos Issues

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 FY2021, and Priority Issues for FY2022 and Medium-Term Targets

Materiality	Major items	Main focus of activity	Plan	Do	Applicable boundary shown to the left
			Priority issues for FY2021	Activity results in FY2021	
Customers	Customer satisfaction	Quality and services to improve customer satisfaction	<ul style="list-style-type: none"> Continue activities for inspection automation system 	<ul style="list-style-type: none"> Continued activities for inspection automation system, and further, also looked at introducing automation systems for testing and test result preparation in analysis maintenance and certification acquisition 	All domestic Group companies
			<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"> Built an early-detection mechanism in collaboration with the Construction Machinery Division, and further expanded the mechanism to products in the tractor business (M-series and general products) and the engine business 	Kubota Corporation quality control departments in each division
			<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> 	All domestic Group companies
			<ul style="list-style-type: none"> Increase the percentage of customers looking at online FAQs while also raising the ratio of issues that are resolved successfully 	<ul style="list-style-type: none"> "FAQs views" on "Kubota Agricultural Solution Products Website," were down compared to that in last year, but "Resolution Ratio" was 55.1%, up 3.9 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, investors, 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 Actively disseminate information on the Kubota Group's Long-Term Vision and Mid-Term Business Plan 2025 	<ul style="list-style-type: none"> Engaged in constructive dialogues through meetings and held business briefing sessions (November: ASEAN Farm & Industrial Machinery 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 and carried out compliance with revised corporate governance code Announced Long-Term Vision and Mid-Term Business Plan 2025 at the February financial results presentation meeting. Promoted understanding among shareholders and institutional investors through consultations 	All Group companies, including overseas
			<ul style="list-style-type: none"> Conduct activities to continuously create new shareholders Implement measures to encourage existing shareholders to hold their shares for a long period of time 	<ul style="list-style-type: none"> Organized a facility visit for shareholders Held an online company explanation session for investors 	Kubota Corporation only
			<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 Mid-Term Business Plan 2025 Tighten brand governance to gain buy-in across the Kubota Group for Kubota's businesses and corporate stance 	<ul style="list-style-type: none"> Created a website to explain the outline of the GMB2030 Long-Term Vision and the Mid-Term Business Plan 2025 on the company website, and produced and published a video about GMB2030. To communicate Kubota's position on tackling sustainable community building and management structures from an ESG perspective, established the "Environmental Vision" page, transferred the "Kubota e-Project" (a community engagement) page, and revised the page on corporate governance 	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 abnormalities in equipment by "visualization" of abnormalities and conducted activities to eliminate disasters by removing abnormalities 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"> 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. And, 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
			<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 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 	<ul style="list-style-type: none"> Fully incorporated the stress check system into one-on-one follow-up interview and pursued improvements in high-stress workplaces Enhanced mental health consultation using web conferencing Even amid the COVID-19 crisis, carried out wellness events on the themes of diet, exercise, and smoking abstinence with an elaborate plan by each Kubota's site Revised the method for conducting colon cancer screening, dramatically improving the participation rate 	All domestic Group companies
	Creating a vibrant workplace	Respecting human rights	<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"> Established harassment prevention regulations in response to legal revisions and provided to Group companies as reference materials 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
			<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) Conducted round-table talks with directors and female employees Made the systems for supporting the balance of family life with work for childcare and nursing care available immediately after joining the company for mid-career employees with one year of experience in the work force Increased the rate of childcare leave usage among male employees Expanded employment of people with disabilities throughout the Kubota Group 	Kubota Corporation only
			<ul style="list-style-type: none"> Continue to study/implement human resource policies essential to promote global management 	<ul style="list-style-type: none"> Implemented global leader training for management executives at overseas sites with the goal of strengthening "global management and utilizing human resources" for realizing GMB2030. Continued to conduct language training for new employees Enhanced overseas trainee program and continued the program to dispatch interns to Harvard Business School 	All Group companies, including overseas Kubota Corporation only
	Personnel policies in tune with globalization	Promotion of diversity	<ul style="list-style-type: none"> Implement e-learning and other programs based on the Rule of Conduct 	<ul style="list-style-type: none"> Conducted training for new employees on the Rule of Conduct, as well as group reading sessions 	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 	All Group companies, including overseas
Communities	Social contribution activities	Contributions to international society and local communities	<ul style="list-style-type: none"> Publish aggregated activity results both inside and outside Japan in the web version Report each fiscal year Support activities conducted locally by overseas sites 	<ul style="list-style-type: none"> Examined methods for aggregating social contribution activities globally, and strengthened communication through the website and other means 	All Group companies, including overseas
		Recovery and reconstruction of areas affected by natural disasters	<ul style="list-style-type: none"> Continuously promote reconstruction support activities in disaster-hit areas true to Kubota style, remaining aware of the themes of food, water, and the environment 	<ul style="list-style-type: none"> Regarding supporting activities for natural disasters, conducted necessary help for several cases worldwide according to actual requests by local communities, but no record for cases 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 FY2022	Medium-term targets
Customers	Customer satisfaction	Quality and services to improve customer satisfaction	Met	<ul style="list-style-type: none"> Continue activities for inspection automation system Set key issues, and strive to minimize the portion requiring human intervention Implement visualization using objective data using ICT and so forth 	<ul style="list-style-type: none"> Strengthen awareness of rules concerning quality assurance, and strengthen governance
			Met	<ul style="list-style-type: none"> Implement systems for early discovery while making improvements 	<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 Get a firm idea of suppliers' CSR systems, which is linked to improvement 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 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"> Promote practices according to guidelines by suppliers of each Kubota Group company and spread CSR procurement through the supply chain
Shareholders, investors, 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 dialogues such as IR events and explanation meetings continuously Conduct activities to continuously create new shareholders Continue to implement measures to encourage long-term shareholding by existing shareholders Produce digital contents showing Kubota's vision on the main themes of "Innovation" and "ESG Management," to propose solutions for social issues in the areas of food, water, and the environment Comply with laws and regulations in each country governing the use of digital media and strengthen brand governance 	<ul style="list-style-type: none"> Hold frequent engagement with stakeholders, contributing to the enhancement of corporate reputation over the medium to long term Promote IR activities to ensure an appropriate stock value reflecting the actual circumstances of the Company Obtain the trust of all stakeholders and strengthen the base of stable shareholders through the timely and appropriate release of information Reinforce the brand from a longer-term perspective and build up integrated communication capabilities responsive to different regions, needs, and stakeholders
			Met		
			Met		
			Met		
Employees	Creating a safe workplace for all employees	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
			Met	<ul style="list-style-type: none"> Continue to share information and hold discussions at labor-management committees Promote "Kubota Smart Work," an improved working style aiming for diverse and flexible work-life balance 	<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 Further expand "Kubota Smart Work," aimed at diverse and flexible work styles
			Met	<ul style="list-style-type: none"> Continuously promote mental health measures based on the "Wellness (Mental Health) Action Plan" 	
			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 a physical examination system that is easier for employees to utilize 	
	Creating a vibrant workplace	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 	
			Met	<ul style="list-style-type: none"> Propose and implement a Diversity & Inclusion Plan (diversity in terms of women, nationalities, mid-career hires, and people with disabilities) 	<ul style="list-style-type: none"> Examine new measures to promote women's participation and advancement Examine measures for supporting a balance of work with child care, nursing care, pregnancy treatment, and so forth Realize Diversity & Inclusion Management (Foster a corporate culture that draws out the abilities and ambitions of all employees, regardless of gender, nationality, age, etc.)
			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
	Personnel policies in tune with globalization	Promotion of diversity	Met	<ul style="list-style-type: none"> Implement e-learning and other programs based on the Rule of Conduct 	<ul style="list-style-type: none"> Foster CSR- and compliance-minded employees based on the corporate principles and the Rule of Conduct
			Met	<ul style="list-style-type: none"> Promote activities to instill the corporate principles, which are tied to promoting SDGs activities 	
			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-hit area support activities in each country and region at a global level
			Met	<ul style="list-style-type: none"> Continuously promote support activities for disaster-hit areas true to Kubota style, remaining aware of the themes of food, water, and the environment 	

Relationships with Our Customers

Based on the “Customer First Principle,” Kubota aims to offer products, technologies, and services that exceed customers’ needs at a speed beyond their expectations. We seek what we have to do to maximize customer satisfaction based on the “Onsite” approach policy perspective, which includes going to the actual site, seeing the product, and confirming actual facts, and put into immediate action whatever we can.

Kubota will continue to promote initiatives in all aspects of its operations, including development, production, sales and services, aiming not only to improve sales and profits, but also to establish itself as a “Global Major Brand” trusted by a maximum number of customers and capable of making a maximum contribution to society.

R&D

Strengthening Our R&D System

Basic Concept

Because of the globalization of business, it is becoming increasingly important to offer products, services, and solutions that not only satisfy the needs of customers throughout the world, but also contribute to solving social issues in every community. To respond to diverse and unique local issues, Kubota is improving its global R&D system with Japan as its hub by clarifying the roles of its R&D sites in Japan and overseas.

Strengthening Regional Marketing and R&D

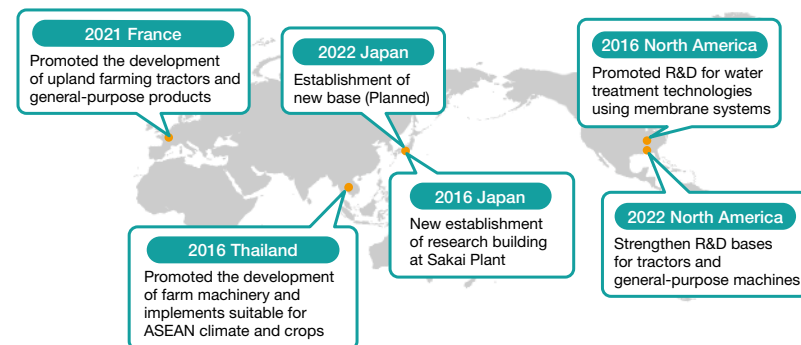
Since Kubota began developing its business overseas, it has followed a model of exporting products researched, developed, and manufactured in Japan, then introducing local production later on. However, in order to grow into a “Global Major Brand,” it is crucial to understand the needs of foreign customers overseas and rapidly realize new products, services, and solutions. For this reason, Kubota is strengthening local-oriented marketing and R&D.

Establishment of New R&D Sites

In Japan, we plan to complete a new R&D site in July 2022, which will bring together sites and personnel currently scattered across various areas and greatly improve R&D efficiency. Also, by harnessing synergies between various experts, we aim to foster innovation and achieve breakthroughs in core and cutting-edge technologies. Moreover, we will also harness the functions of control units that evaluate, integrate, and horizontally expand all R&D, including overseas sites.

Overseas, we established new R&D sites in Thailand, France, and North America with the goal of conducting development of strategic products for key markets and products that closely match local needs. We will continue to strengthen overseas product development capabilities in India and other places, while promoting efforts to strengthen research, such as quickly acquiring advanced technologies developed in each area.

Plans for New Establishment of R&D Base and Facility Expansion Conditions



R&D site in France established in 2021



New R&D site in North America completed in 2022



New R&D site in Japan scheduled to be completed in 2022

Promoting ESG Management

Kubota will position Environment, Social, and Governance (“ESG”) aspects at the core of management going forward and will also promote Kubota’s own style of business management driven by a mission to solve social issues, which we refer to as K-ESG management. In the area of R&D, therefore, we will accelerate initiatives aimed at promoting innovation that will contribute to solving environmental and social issues.

R&D on New Motive Power Sources for Achieving Carbon Neutrality

Japan has declared its intention to achieve carbon neutrality by 2050. In the mobility industry, which includes automobiles, buses, trucks, ships, and other products close to agricultural and construction machinery, efforts are ramping up to harness new motive power sources, including electrification, use of hydrogen, such as fuel cells and hydrogen engines, e-fuel (synthetic fuel), and HVO (hydrogenated vegetable oil). Kubota is also promoting R&D on new power sources for agricultural and construction machinery. Specifically, in terms of electrification, we are advancing R&D on battery electric vehicle (BEV) tractors and mini excavators ahead of other types of machinery. In addition to satisfying the requirements for functions and performance of agricultural and construction machinery, we also intend to create new value through electrification, and to this end we have been fully engaged in developing the main components for electrification, such as motors, inverters, and battery packs. In R&D on fuel-cell tractors, we are also making use of a demonstration project by the New Energy and Industrial Technology Development Organization (NEDO) to consider the best form of hydrogen infrastructure and hydrogen filling methods for the agriculture sector.

In addition to working on these new motive power sources, Kubota will also continue to focus on R&D that it has advanced for reducing fuel consumption, such as increasing combustion efficiency, and increasing the content ratio of biodiesel and so forth. In addition, we are bringing together multifaceted initiatives, such as reduction of operation losses through automated driving technology, optimal energy-saving driving, and use of biofuels (made from agricultural and food residues), to achieve carbon neutrality.



Developmental BEV mini excavator and BEV tractor announced in January 2020



Concept model for a completely driverless BEV tractor announced in January 2020

Strengthening Partnerships in R&D

Kubota believes that there is no growth without innovation, and we are therefore strengthening measures to accelerate innovation such as collaboration between industry, government, and academia, and co-creation with external partners such as start-ups and companies in other industries.

Cooperation with Local Government

Kubota has concluded cooperation agreements in the agricultural field with local governments such as Tsukubamirai City, Kishiwada City, and Miyagi Prefecture, and will promote initiatives that contribute to advancing agriculture at both the local and national levels. At Tsukubamirai City, we are implementing an agricultural machinery sharing service, while at Kishiwada City, we are testing and establishing next-generation facility horticulture and cultivation. Furthermore, in Miyagi Prefecture, we are also promoting diverse initiatives, such as developing the next generation of agricultural human resources and spreading and expanding smart agriculture technologies.

R&D with External Partners

Through investments in start-ups here in Japan and overseas, Kubota is gaining a deeper knowledge of advanced agritech and ecotech and new business models, and is accelerating the development of solutions for agriculture and the water environment. In 2021, our investments included a Japanese start-up aiming to increase productivity per cultivated area by three to five times compared to conventional artificial light-based plant factories through precise control of the growing environment by enclosing each cultivation rack, as well as a US start-up that is working on detection of fruit development status and pests in grapes and blueberries using image analysis technology and AI.

Moreover, we will evolve and expand our R&D with existing partner companies that have industry-leading technological capabilities.

Co-Creation with Public Institutions and Universities

Kubota is strengthening its cooperation with public institutions and national and international universities in order to concentrate wide-ranging knowledge and technologies. Recently, we concluded an industry and academia cooperation agreement with the University of Tokyo. Under the agreement, the two companies will work to illuminate and model natural phenomena and phenomena related to material circulation by using both of their knowledge, technology, and networks in the fields of food, water, and the environment under the theme of “What the Earth Can Achieve in 100 Years.”

Moreover, based on this agreement, we will work on practical R&D, such as machinery design and control technologies, aiming to generate a bio-loop* of food, water, and the environment, and provide solutions for linking them organically.

* Bio-loop: A coined word meaning the integration of coexistence with nature (bio) and a recycling-based society (loop).

Production / Quality Control

Strengthening Production Systems

Building a Global Production System

In order to achieve the goal of becoming a “Global Major Brand,” Kubota has established production bases around the world in locations close to their respective markets, with the mother plant supporting all the other plants in order to secure consistent quality. Furthermore, Kubota is promoting the deployment of the Kubota Production System (KPS) at each of its bases, and implementing initiatives to raise the QCD level throughout the entire supply chain.



Establishment of overseas bases (from 2011)

- 2011: Kubota Engine (Thailand) Co., Ltd. (Thailand) Manufacturing of vertical-type diesel engines
- 2011: Kubota Precision Machinery (Thailand) Co., Ltd. (Thailand) Manufacturing and sales of hydraulic equipment components
- 2011: Kubota Construction Machinery (WUXI) Co., Ltd. (China) Manufacturing and sales of hydraulic shovels
- 2012: Kverneland AS [made part of the group] (Europe) Manufacturing and sales of implements
- 2012: Kubota Engine (WUXI) Co., Ltd. (China) Manufacturing of diesel engines
- 2013: Kubota Farm Machinery Europe S.A.S (Europe) Manufacturing of large upland farming tractors
- 2016: Great Plains Manufacturing, Inc. [made part of the group] (United States) Manufacturing and sales of implements
- 2019: Escorts Kubota India Private Limited (India) Manufacturing of tractors

Expansion of local production

- 2013: Kubota Industrial Equipment Corporation (United States) Manufacturing of medium-sized tractors
- 2016: Kubota Industrial Equipment Corporation (United States) Manufacturing of 4W compact construction machinery (SSL)
- 2017: Kubota Manufacturing of America Corporation (United States) Start of operation of new plants for utility vehicles
- 2017: Kubota Agricultural Machinery (Suzhou) Co., Ltd. (China) Start of operation of a new plant for tractors and wheel combines

Deployment and Dissemination of the Kubota Production System

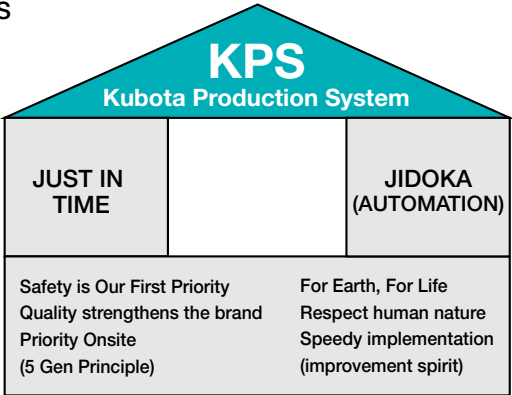
Kubota Production System

- **Kubota’s basic principle for manufacturing**
Kubota aims to achieve manufacturing that impresses customers by offering products and services that exceed customers’ needs at a speed beyond their expectations.
- **Kubota Production System**
Kubota Production System (KPS) is the fundamental concept and perspective of the Kubota Group’s manufacturing. While adhering to the basic philosophy, KPS is based on “just-in-time” and “Jidoka (automation),” and continuously pursues thorough elimination of waste.

Activities during 2021

- We confirm the status of activities at domestic production sites and hold periodic “site follow-ups” to follow up on improvement activities. Through site follow-ups, we expand examples of good activities at sites, and provide support for sites as needed to accelerate KPS for the entire Company.
- At each manufacturing base we are working to shorten manufacturing lead times and reduce inventories. We aim to strengthen our systems by shortening worktimes and processing times, reducing preparation between processes, and working to reduce inventories of parts and products.
- We are planning, proposing, and executing “smart manufacturing” to promote the evolution of work through standardization, automation, and improved performance. Examples of our activities include researching and examining tools for supporting and visualizing human operations. We are starting trials of some tools, such as voice support systems, at several sites in Japan.

Structure of KPS



Maintaining and Improving Quality

1. Product Safety

Kubota strives to satisfy customers and secure their trust by providing products, technologies, and services that are safe and of the highest quality. In 2021, we filed seven recall notices.

Recall Filing Status in FY2021

• Recall of wheel loaders	: Total	319 units (began October 2, 2021)	 For details, click here. (Only in Japanese) www.kubota.co.jp/important/
• Recall of ER combine harvesters	: Total	17,432 units (began June 18, 2021)	
• Recall of WR combine harvesters	: Total	122 units (began May 14, 2021)	
• Recall of MR series tractors	: Total	930 units (began May 14, 2021)	
• Recall of ER, WR combine harvesters	: Total	4,919 units (began April 16, 2021)	
• Recall of MR, M720W tractors	: Total	2,553 units (began January 18, 2021)	
• Recall of SL series tractors	: Total	433 units (began January 15, 2021)	

Quality Management System Certification

We post updated information on the ISO 9001 certification status of our production sites in Japan and overseas on our website.



Click here for details on the status of Kubota’s quality management system certification
www.kubota.com/sustainability/society/quality/

2. Initiatives to Increase Quality Awareness

The Kubota Group believes that no pursuit of sales or profits is worth damaging the character of the Company. Guided by this belief, we have been conducting the following initiatives to increase quality awareness.

Conducting Quality Compliance Education

To strengthen awareness of rules regarding quality assurance, we conduct compliance education each year for employees in Japan and overseas.

Quality Questionnaires

We conduct regular quality questionnaires among Kubota Group employees who deal with quality-related issues to encourage them to volunteer information.
(Completion rate among Kubota Group employees in Japan* 100%; completion rate among overseas Kubota Group employees* 91% (2021))

* Kubota Group employees that have been assigned company email addresses

Internal Audits on Quality

- The Kubota Group has systemized, and carries out, the following internal audits on quality.
- Quality Audits : Audits to improve the internal control regarding the quality of products, technologies, and services.
 - Quality Compliance Audits : Audits to ensure compliance with laws, public standards, and contracts with customers.
 - Cross Audits : Audits to improve independence and appropriateness of ISO 9001 internal audits, and to ensure the competence of auditors.
 - Audits at Short Notice

Quality Training

We held training to educate employees about the necessary knowledge, approach, and actions for quality assurance and quality management.

Training name	Number of sessions	Number of recipients
New recruit training	1	205
Technical new recruit training	1	145
Internal auditor training	11	158

Training name	Number of sessions	Number of recipients
New supervisor training	2	44
New foreman training	1	17

3. Initiatives to Increase Quality

Kubota is working to improve the quality of each operation process, from development through to manufacturing, sales, and services.

Quality Improvement in Design and Development

At Kubota, we work to prevent quality issues before they arise. A typical activity in this regard is our design review (DR)*. We have clearly documented standards for research and development regarding DR, and these are implemented rigorously.

* DR is an opportunity to have the products of development and design examined by multiple participants. The participants include not only the engineers from the development and design division, but also representatives from other divisions involved in the product development, such as manufacturing and quality assurance.

QC Circle Activity Award

An award presented to employees who have an outstanding record of activities in quality control circles.
Kubota first introduced quality control circles in 1967 for the purpose of “fostering people” and “revitalizing the workplace.” Currently, there are 948 circles active across Kubota Group companies in Japan and abroad. (As of 2021)

Quality Achievement Award

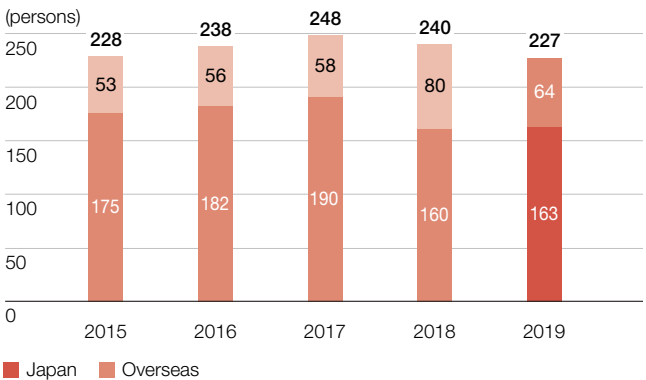
The Kubota Group recognizes employees who have made outstanding achievements in quality improvement in their activities to create valuable products and services from the customers’ perspective.
In 2021, Kubota gave out awards in 12 themes of excellence.

Ensuring Skills to Maintain Customer Satisfaction

Holding the Kubota Group Technical Skills Competition

Kubota holds the Kubota Group Technical Skills Competition with the aim of improving manufacturing capabilities. During the contest for FY2019, a total of 227 contestants from 28 bases in 10 countries gathered and put their technical skills to the test in 15 categories, including casting, lathing, finishing and welding. The number of contestants from overseas has increased to approximately 30% of all contestants, and the contest has become a fixture as a global event for the Kubota Group. Unfortunately, due to the impact of COVID-19, a Group-wide competition could not be held in FY2020 or FY2021. With measures in place to prevent infection, we held smaller competitions at separate business sites and overseas competitions in China and Europe. The contest provides an important opportunity for contestants, staff members of the competition, and the supporters to acquaint themselves with the skill levels of each base, communicate with each other, and get motivated. Kubota will continue to hold this competition, with the aim of further improving its manufacturing capabilities.

No. of Contestants in the Technical Skills Competition



Group photo at the European competition

Participating in National Skills Competition

To showcase the Kubota Group's commitment to the highest standard of manufacturing skills and to cultivate human resources to take leadership roles in the workplace, Kubota participates in the annual National Skills Competition*, sending representatives to compete in the categories of lathing, mechanical device assembly, mechatronics engineering, and construction steel working. At the 2021 Competition, 14 Kubota competitors participated, coming home a Good Fight Award in the mechanical device assembly category.

* National Skills Competition: National competition for young technicians (23 or younger). Representatives for the WorldSkills Competition held every two years are selected at this competition. It is the "Olympics" of skills, in which young technicians from all over Japan compete in terms of skills.



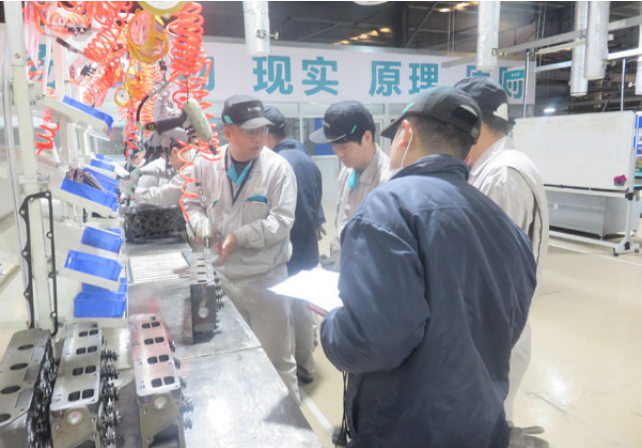
In the 2021 mechanical device assembly competition, Kubota won a Good Fight Award.

Fostering Manufacturing Personnel to Establish Kubota as a Global Major Brand

Kubota promotes the Kubota Production System (KPS) at its domestic and overseas bases with the aim of becoming a "Global Major Brand."

The "5-Gen Principle" is implemented to achieve site improvements necessary to advance KPS. The 5-Gen encompasses a philosophy based on the actual site (Genba), actual things (Genbutsu), actual facts (Genjitsu), principles (Genri) and basic rules (Gensoku). The 5-Gen Dojo is a training place for fostering employees who will implement improvements aimed at closing the gap that can arise between the actual and the ideal. In FY2021, 203 people attended this training program.

Aiming to strengthen manufacturing capability and localize human resource development, Kubota has been introducing 5-Gen Dojos overseas. We established a North American Dojo at Kubota Manufacturing of America Corporation in 2014, followed by a Thai Dojo at SIAM KUBOTA Corporation Co., Ltd. in 2016, and a Chinese Dojo at Kubota Agricultural Machinery (Suzhou) Co., Ltd. in June 2020. We will continue to expand the 5-Gen Dojo initiative overseas.



Training at the 5-Gen Dojo in China.

Participants by country (Jan. 2021–Dec. 2021)

- Japan : 90
- North America : 60
- Thailand : 6
- China : 47

5-Gen Dojo History

- Apr. 2002–Mar. 2003 : Established 5-Gen Dojo at the Sakai Plant in Japan
- Apr. 2005–Mar. 2006 : Began receiving overseas employees at the 5-Gen Dojo
- Apr. 2014–Mar. 2015 : Established 5-Gen Dojo at Kubota Manufacturing of America Corporation in the U.S.
- Jan. 2016–Dec. 2016 : Established 5-Gen Dojo at Siam Kubota Corporation Co., Ltd. in Thailand
- Jan. 2020–Dec. 2020 : Established 5-Gen Dojo at Kubota Agricultural Machinery (Suzhou) Co., Ltd.

Customer Service

Continuous Provision of Parts through Redesign of Old-type Parts

To ensure customers can use the products they purchase for a long time with peace of mind, it is important for the products to be of good quality, but in the event of a breakdown, customers can receive the correct service parts quickly, along with repair services.

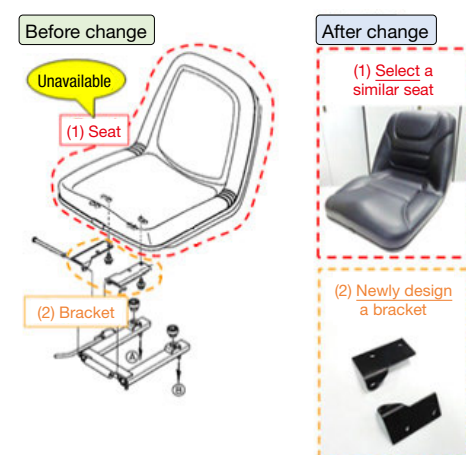
Kubota focuses on providing a **stable supply of service parts** through communication with customers and suppliers in the market and improvement of service parts procurement operations. We maintain an **immediate delivery rate of essentially over 99%** for emergency orders for service parts in Japan. (Immediate delivery rate: Ratio of inventory supply to orders) (Full-year performance for 2017-2021)

Service parts are usually the same as those produced during mass production. However, for various reasons, there are cases where the service parts which are the same as the mass-produced part cannot be procured or produced. Kubota makes every effort to continue the supply for these parts. In these situations, **a specially appointed department will redesign and recreate the parts.**

Looking ahead, we will continue to improve customer satisfaction through stable supply of service parts.

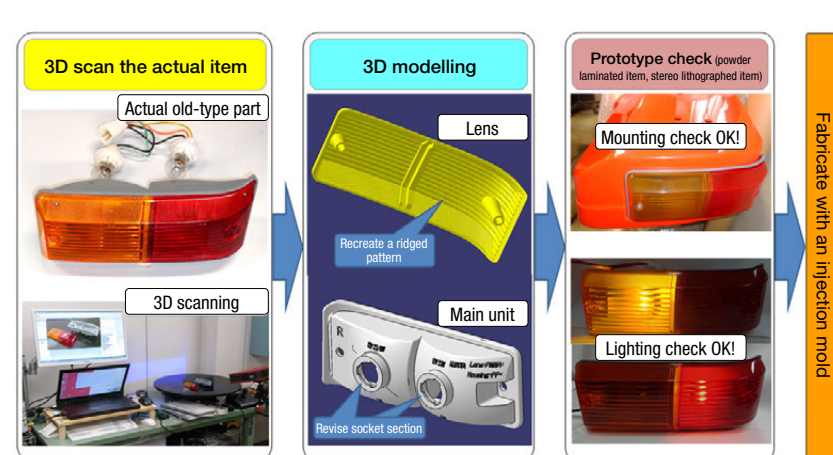
Example case 1—Seat

Select a similar part to the unavailable part / Redesigned by reverse engineering using 3D scanning
Newly design a replacement part



In addition to redesigning the part itself, we also conduct activities to enable substitution by selecting similar parts and designing new parts to ensure the part can be mounted compatibly.

Case Example 2—Lamp



Most old-type parts do not have 3D data. We can recreate them by making a 3D scan of the actual item, then modeling it to create 3D data enabling it to be remanufactured.

Contest for Solution Proposals and Service Technology Skills

In the Domestic Agricultural Machinery Sales Group, we hold a Contest for Solution Proposals each year as a way to increase our solutions proposal skills.

At the national contest in 2021, 11 sales staff from our sales company competed by presenting proposal examples from each area online. A number of excellent examples of closely addressing customers' issues were presented, such as proposing a way to increase yields and quality by visualizing farm management and a proposal to realize energy saving and large-scale production by introducing IC and robot technology.

We will continue working to improve our solution proposal skills for solving customers' issues. (The photograph on the right shows the lively contest in progress, with contestants from all over Japan connected and competing in real time).



Contest for Solution Proposals (held in 2021)

Kubota's Service Technical Skills Contest is designed to improve accurate trouble-shooting skills, repair skills, and customer communication skills. Staff from sales companies in Japan and overseas who have cleared preliminary rounds in their regions come together to pit their overall service skills against one another.

The contest had to be cancelled in 2020 and 2021 due to COVID-19; however, we now plan to continue holding it every year.

Furthermore, to increase customer satisfaction, we are pursuing the concept of "zero downtime." We will further increase our technologies through various activities such as developing services that use machinery operation data, developing remote diagnostic technologies, upgrading online training technologies, creating an internal service qualification system, and revising the available training options.



Service Technical Skills Contest (held in 2019)



Service Technical Skills Contest (held in 2019)

Customer Satisfaction Survey

Kubota conducts a survey to obtain feedback for monitoring customer satisfaction with customer support by dealers of domestic farm machinery and also with its products.

"Overall customer satisfaction with store where purchased" for July 2020 to June 2021 improved over the previous year (surveyed from July 2019 to June 2020), rising from 64.2 to 66.0 points.

Kubota will continue to make efforts to improve customer satisfaction.

Relationships with Business Partners

Procurement

Procurement Policy

The following explains Kubota's basic approach to materials procurement in its business activities.

Basic approach to materials procurement

- 1. Providing fair opportunities**
We provide opportunities for competition among all of our business partners in a fair and equitable manner.
- 2. Economical rationality**
When selecting a business partner, we make a full evaluation on the material quality, reliability, delivery timing, price, technology and development capability, proposal ability, and business stability, etc. of that partner, and then select the best business partner based on a suitable set of criteria.
- 3. Mutual trust**
We establish relationships of trust with our business partners and also aim for mutual development.
- 4. Social trust**
We are committed to ensuring adherence to all relevant laws and regulations when making procurement deals. We will also ensure the confidentiality of our business partners' confidential information that we have gained through our procurement deals.
- 5. CSR procurement**
We promote CSR procurement, while paying close attention to compliance with laws and regulations, occupational health and safety, human rights (including addressing the issue of conflict minerals), environmental conservation, symbiosis with society, and information disclosure in a timely and appropriate manner.
- 6. Green procurement**
We are committed to the procurement of products with a reduced environmental impact from business partners that engage in environmental activities, as part of our commitment to providing society with products that are friendly to global and local environments.

Promoting CSR Procurement Based on Established Guidelines

Customers are becoming increasingly aware of what goes on in the entire supply chain that creates products and services.

For this reason, Kubota has established the Kubota Group CSR Procurement Guidelines, based on the belief that it is necessary to have a common understanding of CSR with its major business partners in order to engage in collaborated efforts. By requesting business partners to submit a consent form indicating their intention to observe the terms of these guidelines, Kubota is encouraging its business partners' initiatives that target safe work practices, respect for human rights, and other important factors.

The Kubota Group CSR Procurement Guidelines

- 1. Winning Customer Satisfaction**
- 2. Conducting Corporate Activities Based on Compliance with Legal Regulations and Ethical Principles**
- 3. Respecting Human Rights**
- 4. Building up a Safe and Vibrant Work Environment**
- 5. Conserving the Global and Local Environment**
- 6. Achieving Symbiosis with International and Local Societies**
- 7. Fulfilling Responsibilities for Improving Management Transparency and Accountability**



Click here for the Kubota Group CSR Procurement Guidelines.
www.kubota.com/sustainability/society/procure/data/csrprocure_english.pdf

Self-Assessments of CSR Procurement

Since FY2018 we have requested our major suppliers in Japan to conduct a self-assessment of CSR procurement. We provide feedback to each company after clarifying where improvements can be made. For items returning a low score, we ask our suppliers to voluntarily make improvements. We also provide support on improving CSR procurement by meeting with or visiting companies, if deemed necessary based on the self-assessment results. In FY2021 we asked around 220 major suppliers in Japan to conduct a self-assessment. We began requesting similar self-assessments of our overseas bases in 2020 as well.

Handling of Conflict Minerals

Policy on conflict minerals

Tantalum, tin, tungsten and gold, and their derivatives ("conflict minerals") produced in the Democratic Republic of the Congo and its adjoining countries are the source of funds for armed insurgents, who have repeatedly committed inhumane acts in these countries. This is a major social issue of concern related to human rights, the environment, etc. in the supply chain.

As a part of its efforts to implement ESG management, Kubota promotes banning of the use of conflict minerals, which serve as a source of funds for the armed insurgents, and promptly takes steps to discontinue their use in the unlikely event that it becomes clear they are being so used.

Kubota seeks mutual understanding regarding this issue with its business partners, which are a part of the supply chain, and requests their cooperation in surveys and audits conducted by Kubota.

Activities

Written Inquiry

We use a conflict minerals reporting template (CMRT) to mainly confirm whether our suppliers are using conflict minerals, to identify smelters, and to gauge what kind of initiatives they are employing to address the issue of conflict minerals. We endeavor to improve the accuracy of the information we receive by asking our suppliers to resubmit the report if their answers are insufficient. In FY2021, 100% of the templates we sent out were returned.

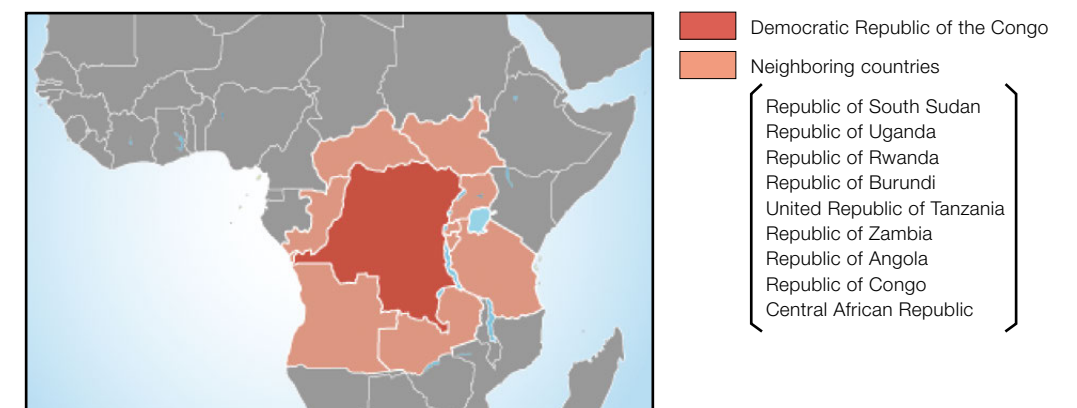
Addressing Risks

For suppliers that do not have a conflict minerals procurement policy in place, we request that they establish one. Furthermore, we carry out additional investigations and conduct due diligence on suppliers we deem to be high risk.

Response Unit

Guided by our policy on conflict minerals, our activities are implemented company-wide through the Committee for Conflict Minerals, which comprises members from the ESG Management Division and Procurement Division.

Democratic Republic of the Congo and Adjoining Countries



Promoting Optimal Regional Procurement and Supplier Quality/Productivity

Procurement at overseas production bases has risen sharply in parallel with the rapid globalization of business.

The Kubota Group promotes optimal procurement in every region through the establishment of a global supply system. Moreover, the Group unites with major global suppliers to promote systematic improvement activities for the purpose of strengthening competitiveness by improving quality and productivity.

Kubota holds a Kubota Supplier Technical Skills Competition to improve the skill level of its suppliers. Moreover, the annual Kubota Kaizen World Cup has also been held since 2015 to vitalize improvement activities. In this World Cup, suppliers selected from various regions around the world present their company's successful improvement cases as they compete for the status of World Champion.

Throughout the entire supply chain, Kubota will continue its efforts to make the Kubota brand trusted and appreciated by its customers around the world.

Information Security Measures Kubota Requests its Business Partners to Implement

In promoting K-ESG management, Kubota requests its business partners that share confidential information with Kubota Corporation and its subsidiaries and affiliates (the Group) to implement certain information security measures. The Company's information security measures are discussed below.

Through proper management of confidential information, we will realize stable business continuity, thereby aiming for the ongoing synergistic development of the Group, business partners, and society. We would like to ask for your further understanding and cooperation.



Information Security Measures Standards for Business Partners

Japanese version www.kubota.co.jp/sustainability/society/data/SecurityStandardjp.pdf

English version www.kubota.co.jp/sustainability/society/data/SecurityStandarden.pdf



Information Security Measures Standards for Business Partners Check Sheet

Japanese version www.kubota.co.jp/sustainability/society/data/SecurityStandard_CheckSheetjp.xlsx

English version www.kubota.co.jp/sustainability/society/data/SecurityStandard_CheckSheeten.xlsx

Green Procurement

For the purpose of providing products that are friendly to global and local environments, the Kubota Group is seeking to procure products with reduced environmental impact from ecofriendly suppliers. In order to proactively promote these activities, the Kubota Group presents its policies on green procurement to suppliers through the Group's Green Procurement Guidelines, asking for their understanding and cooperation.

The Green Supplier Award System was launched in 2015 to award suppliers recognized as having made notable contributions in the area of environmental conservation. The awards are presented every year.

We also ask suppliers to check for the inclusion of any chemical substances in order to comply with the regulations of each region, including the EU's RoHS Directive and REACH regulation and the U.S. TSCA.



Click here for the Green Procurement Guidelines.

www.kubota.com/sustainability/environment/procure/



Click here for details of the Green Procurement activities.

Registration in “Declaration of Partnership Building”

Kubota supports the aims of the Council on Promoting Partnership Building for Cultivating the Future sponsored in part by Japan's Cabinet Office and Small and Medium Enterprise Agency. We formulated a “Declaration of Partnership Building,” which seeks to build new partnerships through the pursuit of collaboration and mutual flourishing with suppliers and business partners in the supply chain.

Supplier Hotline

We set up a hotline for suppliers to further enhance the transparency and fairness of our transactions. The goal of the hotline is to detect and address issues early on by enabling our business partners to report and consult about inappropriate behavior by Kubota executives or employees.

Business Continuity Planning in the Supply Chain

The supply chain is subject to a variety of risks, including natural and manmade disasters, sudden changes in international affairs, and pandemics like COVID-19. Kubota is prepared to respond promptly and accurately in the event of an emergency. We have implemented a system to quickly confirm the safety and operational status of suppliers, and carry out risk management and mitigation using hazard maps and BCP checklists.

Relationships with Shareholders and Investors

Constructive Dialogue with Shareholders

Kubota contributes to the improvement of the Company's sustainable growth and medium- to long-term corporate value and promotes constructive dialogue with shareholders and investors.

Kubota has results briefings for domestic and foreign institutional investors, company information sessions for individual investors, and factory tours. Going forward, we will make more effort to engage in dialogue with all stakeholders.

Dialogue with Individual Shareholders

In 2021, the spread of COVID-19 prompted a state of emergency, obliging us to cancel a large number of company presentation meetings and observation visits. However, in November 2021, we invited individual shareholders to an interactive and experiential event with athletes of Kubota Spears Funabashi TOKYO-BAY.

The experiential event provided an opportunity for participants to foster deeper interactions with the athletes and gain an understanding of Kubota's corporate sports.

We also used a variety of tools such as online company presentations to promote empathy with the Company's corporate philosophy and business activities.



Information for private Investors (only in Japanese)

www.kubota.co.jp/ir/sh-info/personal/



Warming up with athletes



Participants also experienced a rugby tackle



A rugby clinic in progress



Observation of a friendly game

Dialogue with Institutional Investors and Analysts

Kubota Corporation has approximately 310 individual and group meetings per year with institutional investors and analysts. Kubota Corporation also holds year-end results briefing in February and an interim results briefing in August and discloses its financial and other information in Japanese and English concurrently. In addition, Kubota Corporation also releases the scripts and Q&A summary at the results briefings as well as presentation materials on its website. Furthermore, Kubota Corporation also releases supplementary information for the financial results on each announcement day of quarterly financial results. Through these efforts, Kubota Corporation strives to enhance early and fair disclosure.

In addition, Kubota Corporation regularly holds tours and business briefing sessions at its domestic factories and overseas subsidiaries, although the opportunities of these sessions were limited in 2021 due to the infection spread of COVID-19. Kubota Corporation held an online briefing session about our ASEAN Farm & Industrial Machinery business in November.



Information for investors

www.kubota.com/ir/

Relationships with Employees

Customer satisfaction cannot be accomplished without employee satisfaction. The Kubota Group promotes the creation of comfortable and motivated workplaces where its employees can not only work safely and securely but also feel pride and joy in their work.

In accordance with the Kubota Group Charter for Action & Code of Conduct, which is our global standard for conduct, we carry out audits and interviews at overseas bases with a clear understanding of the circumstances of each country and region, in order to raise the level of employee-related policies across the entire Group.

Creating a Safe Workplace for All Employees

Promoting a Safer and More Secure Workplace

Kubota formulated its Basic Policies on Safety and Health in April 2013 for the purpose of creating a safer and more secure workplace. Based on these policies, Kubota is enforcing the ethic whereby all people involved in the business, including contractor employees, behave based on the philosophy that “Safety is Our First Priority.”

In addition, three specific instructions to ensure the “Safety is Our First Priority” philosophy were announced by the President.

The Kubota Group’s Mid-Term Business Plan 2025 sets out a variety of strategies aiming to achieve a goal of zero Class-A incidents*, centered on promoting inherently safe equipment, ensuring safe operations, and enhancing human resources development to support safety.

* A Class-A incident is one that can lead to a serious incident, such as crushing or entanglement in machinery, due to one of the following causes:

1) contact with a high-heat object, etc., 2) contact with a heavy load, etc., 3) entrapment and entanglement by machines, 4) fall from heights, 5) contact and the like with forklift / vehicle, 6) falling from or contact with agricultural/construction machinery, 7) electric shock, 8) hit by a flying / falling object, 9) acute poisoning by harmful substances, or 10) fires or explosions.

The Kubota Group Basic Policies on Safety and Health

“In the KUBOTA Group, there is no work to be carried out without serious consideration for safety and health.”

To achieve this, we established the fundamental principle that all the people involved in the business shall behave based on the philosophy that “Safety is Our First Priority.”

Safety is Our First Priority

1. All the people involved in the business of the Kubota Group shall observe the determined rules and behave based on the philosophy “Safety is our First Priority,” to protect themselves from accidents.
2. Management executives shall operate the business keeping in mind the philosophy “Safety is Our First Priority,” respect and listen to the voices of frontline worksites, and be reminded that “the worksite is a mirror that reflects yourself.”
3. Management-level employees shall identify any risk that may lead to a serious incident and take faithful action to address such risk, while endeavoring to create a corporate culture that allows straightforward talk about safety and to develop human resources that support safety.

Kubota Group’s Mid-Term Business Plan 2025 Target and Major Tasks

Kubota is mainly addressing the following tasks, with the target of FY2022 completion.

Target: Zero Class-A incidents

<Major tasks>

1. Promoting inherently safe equipment

- (1) Apply the risk assessment for machine safety to all new equipment.
- (2) Complete measures for existing equipment to achieve the target levels determined in the Safety Control Guidelines for assessment and promotion of inherently safe equipment.
- (3) Work to prevent the recurrence of equipment malfunctions.

2. Promoting safe operations

- (1) Based on the Risk Assessment Guidelines for Work Operations, examine actual operations with reference to the Class-A Incident Prevention Checklist accompanying the risk assessment to eliminate any areas of unidentified risk linked to such incidents.

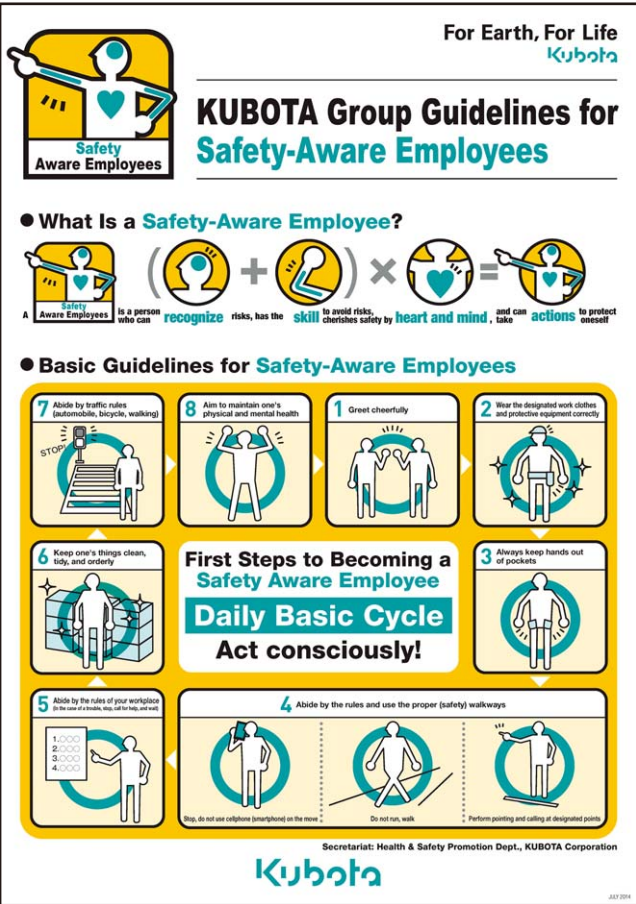
3. Enhancing personnel development to support safety (the Kubota Group Safety-Aware Employee Development)

- (1) Promote activities to enable all employees to follow the “basic daily cycle” described in the Basic Guidelines for Safety-Aware Employees as a habit.

4. Maintaining and improving a safe and healthy working environment

- (1) Build a database of improvement case studies from certain workplaces and deploy horizontally to other offices and workplaces.

Kubota Group Guidelines for Safety-Aware Employees/ Basic Guidelines for Safety-Aware Employees



Status of Initiatives in FY2021

Kubota implemented the following initiatives in FY2021.

1. Achievement of Level II for existing equipment and Level III for new equipment (6 domestic Group companies and 16 overseas Group companies)

Our Safety Control Guidelines for assessment and promotion of inherently safe equipment categorize equipment into degrees of safety from Level I to IV. Based on these guidelines, we have formulated a five-year implementation plan to upgrade to Level II all existing equipment still below that level, and are working to complete permanent measures by the end of 2022. For new equipment, we continue to ensure safety Level III at the time of deployment, based on the machinery safety risk assessment guidelines that were revised in FY2017.

2. Initiatives to help build a “shut off culture” (all domestic Group companies)

All Kubota workplaces are carrying out activities to instill the habit of shutting off energy supplies in the case of an emergency. We are also working to help employees visualize abnormalities that occur in equipment, tools, or materials, and take steps to prevent the recurrence of equipment abnormalities according to the context of each business site.

3. Promotion of risk assessments of work operation activities (all domestic Group companies)

Aiming for completion by the end of 2021, we implemented a plan to identify risks linked to Class-A incidents at all plant departments based on the risk assessment guidelines for work operations.

4. Initiatives to instill the Basic Guidelines for Safety-Aware Employees (all domestic Group companies)

We undertake educational activities via the serial publication of messages from the management in our company newsletters, so that it will become a habit for all of our employees to always abide by the Basic Guidelines for Safety-Aware Employees, and that habituation will help achieve our organizational culture.

5. Education on how to teach safe operations (all domestic Group companies)

Kubota has established a method of teaching safe operations that clearly specifies approaches to work-related teaching and the means of confirming and assessing degrees of proficiency, thus offering workers easy-to-understand guidance regarding the work they are in charge of and how to perform their work while avoiding hazards. Through e-learning initiatives, group leaders from manufacturing floors learn how to work more safely, having understood the rationale behind the need to abide by safety guidelines.

6. Maintaining and improving a safe and healthy working environment (all domestic Group companies)

We carry out measurements twice a year at all worksites to continuously monitor conditions at a detailed level. By actively promoting horizontal rollout of examples of good practice, we work to maintain and improve standards Group-wide.

The Kubota Group Safety and Health Target for FY2022

Kubota has clearly set the target below for FY2022, and is promoting Company-wide efforts to create safe workplaces.

Target: Zero Class-A incidents

[Priority implementation issues]

◆Plant departments

1. Promoting inherently safe equipment
 - (1) Achieving “exceeds the specified level” status for existing equipment
 - (2) Applying Machine Risk Assessment to all new equipment
2. Promoting safe operations
 - Conducting risk assessments to prevent Class-A incidents
3. Developing Safety-Aware Employees
 - (1) Establishing Kubota Group Basic Guidelines for Safety-Aware Employees
 - (2) Helping to build a “shut off culture”
 - (3) Enhancing and institutionalizing rank-based education
4. Promoting sanitary management
 - Carrying out measures in the working environment
5. Implementing safety and health management guidelines based on ISO 45001 at select Kubota Group business sites
6. Establishing three-fold actions for equipment, work, and people at manufacturing companies outside Japan

◆Construction departments

1. Developing Safety-Aware Employees
 - (1) Enhancing the abilities of project directors
 - (2) Improving safety and health awareness through evaluations by related contractors
 - (3) Strict adherence to basic rules
2. Promoting safe operations
 - (1) Site-led prior identification of risks
 - (2) On-site safety confirmation and guidance by general managers, foremen, and chief safety and health managers
 - (3) Reduction of Class-A incident risk by project directors
 - (4) Reduction of Class-A incident risk by operation and maintenance site directors
3. Promoting inherently safe equipment
 - Implementing measures to prevent entrapment or entanglement in moving parts of machines or equipment
4. Promoting sanitary management
 - Preventing exposure to chemical substances (actions on labeling, etc.)
5. Promoting environmental management
 - (1) Thorough waste management at waste discharge sites
 - (2) Environmental management point education by e-learning

Raising Awareness of Safety

We provide safety education through messages issued by management and our workplace management and through a range of conferences.

1. Distribution of awareness-raising messages

Messages from management (executive officers) and workplace management (foremen) around the themes of the Kubota Group Approach to Safety and Safety-Aware Employees* were distributed via the company newsletter and the company intranet to promote safety awareness throughout the organization.

* Please refer to P113 Kubota Group Guidelines for Safety-Aware Employees/Basic Guidelines for Safety-Aware Employees

2. Education through conferences

In light of concerns about COVID-19 infection, various conferences were held mainly online.

In Japan, Kubota held a gathering of safety and health managers from manufacturing sites and plant departments in November to review efforts to achieve the Mid-Term Business Plan 2025 target and to formulate guidelines for the following fiscal year.

Also in April and November, the Construction Safety and Health Manager Conference was held for managers to deliberate on the wider roll-out of initiatives to prevent recurrence after a Class-A incident and on safety and health guidelines for the following fiscal year, and so forth.

Overseas, some meetings were also cancelled due to the impact of COVID-19. However, the Company continued to coordinate safety and health activities, mainly through online means, including exchanges of information with overseas sites and opinions regarding the best way to apply the information overseas.

Regions took the lead in organizing local conference activities. Interactive exchange events were held between Group companies in Thailand and China (sharing information on regulatory changes, conducting patrols, and joint problem-solving, etc.), while Group companies in North America held regular meetings and formulated regional standards, while in Europe, Group companies led the establishment of a Production Committee and a Safety Subcommittee.

3. Safety education initiatives

Due to COVID-19 concerns, safety and health education, particularly for new employees but also for personnel of all ranks, was conducted online in FY2021. We devised new learning methods, such as group work using tools that enable joint editing in real time.

4. Mutual site visits

After holding mutual site visits in the western region in the previous fiscal year, this fiscal year we held them in the eastern region (in November). The goal is to promote exchanges between business sites and provide an opportunity for employees to learn something new from other sites' examples of risk identification and countermeasures, and examples of safety and health activities.

Sharing not just good practices but also the concerns of each worksite led to an opportunity to exchange opinions such as hints for problem-solving and ideas and gain new perspective.



Safety and health training for new employees



Lectures on safety education held online for overseas bases

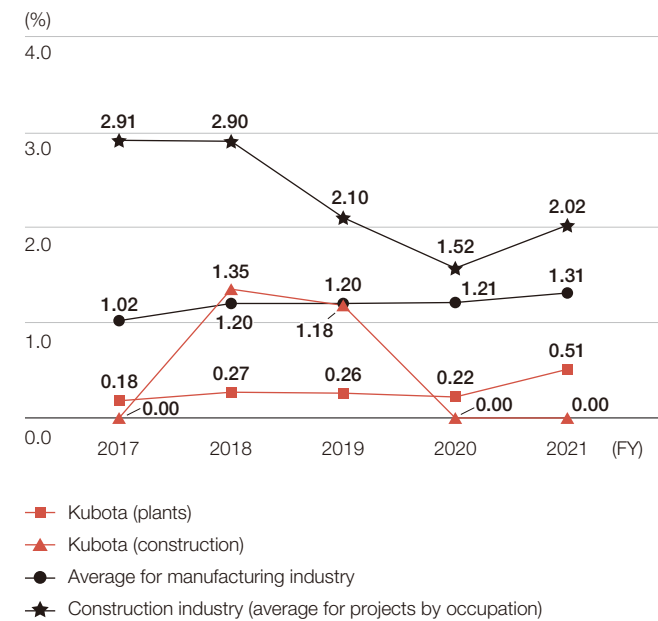


Eastern region mutual site visit (November 9, 2021)



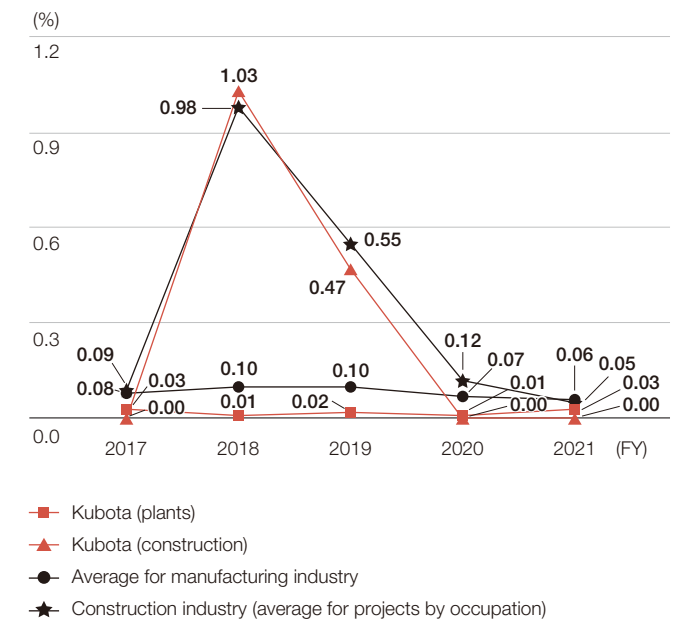
Lost Time Incident Rate/Injury Severity Rate

Lost Time Incident Rate (Kubota Corporation)



<Lost time incident rate>
 $\text{Work-related deaths and injuries requiring work absence} \div \text{total personnel hours} \times 1,000,000$

Injury Severity Rate (Kubota Corporation)



<Injury Severity Rate>
 $\text{Number of workdays lost} \div \text{total personnel hours} \times 1,000$

Safety and Health Education Implementation Status in FY2021

Safety and health education is provided for each rank, including for new employees (education at the time of employment).

Manufacturing Departments

Name of education program	No. of times held	Total participants
Education for new employees	7	274
Elementary (for young employees)	6	74
Semi-intermediate	3	77
Intermediate (for mid-career employees)	2	61
Training for newly appointed lead persons	3	79
Training for newly appointed supervisors	4	86
Training for newly appointed foremen	1	17

Other than Manufacturing Departments

Name of education program	No. of times held	Total participants
Education for new employees	1	205
Safety and health education for mid-career entrants at the time of employment	12	239
Machinery safety education	13	224
Training for newly promoted managers	6	169
Training for newly appointed section managers	7	146
Training for newly appointed department managers	2	45
Education for officers (Safety, Environment, and Quality Forum)	1	29

Sites with Occupational Health and Safety Management System Certification

To ensure safety for employees and provide them with a workplace environment that allows them to feel safe concentrating on their duties, Kubota has acquired ISO 45001 certification for its business sites below, while establishing an occupational health and safety management system focusing mainly on risk assessment for other sites. (Certified companies and business sites as of Dec. 31, 2021)

Kubota

Tsukuba Plant	ISO 45001 certification acquired in Nov. 2020 (OHSAS 18001 certification acquired in Dec. 2000)
Keiyo Plant	ISO 45001 certification acquired in Nov. 2018 (OHSAS 18001 certification acquired in Dec. 2002)
Ichikawa Plant	ISO 45001 certification acquired in Nov. 2018 (OHSAS 18001 certification acquired in Dec. 2002)
Hanshin Plant (Mukogawa)	ISO 45001 certification acquired in Oct. 2020 (OHSAS 18001 certification acquired in Nov. 2003)
Hanshin Plant (Amagasaki)	ISO 45001 certification acquired in Oct. 2020 (OHSAS 18001 certification acquired in Apr. 2005)
Hirakata Plant	ISO 45001 certification acquired in Apr. 2019 (OHSAS 18001 certification acquired in Jun. 2007)

Domestic Group companies

Kubota Construction Co., Ltd.	ISO 45001 certification acquired in Dec. 2020
Kubota Kasui Corporation	ISO 45001 certification acquired in Dec. 2020

Overseas Group companies

Kubota Materials Canada Corporation	ISO 45001 certification acquired in Feb. 2021 (OHSAS 18001 certification acquired in Aug. 2012)
Siam Kubota Corporation Co., Ltd.	ISO 45001 certification acquired in Sep. 2019 (OHSAS 18001 certification acquired in Jan.-Feb. 2014)
Kubota Baumaschinen GmbH	ISO 45001 certification acquired in Jun. 2019 (OHSAS 18001 certification acquired in Jul. 2014)
Siam Kubota Metal Technology Co., Ltd.	ISO 45001 certification acquired in Nov. 2019 (OHSAS 18001 certification acquired in Dec. 2014)
Kubota Engine (Thailand) Co., Ltd.	ISO 45001 certification acquired in Jul. 2019 (OHSAS 18001 certification acquired in Jul. 2015)
Kubota Farm Machinery Europe S.A.S	ISO 45001 certification acquired in Oct. 2021 (OHSAS 18001 certification acquired in Feb. 2017)
Kubota Pump (Anhui) Co., Ltd.	ISO 45001 certification acquired in Jun. 2019
Kubota Construction Machinery (Wuxi) Co., Ltd.	ISO 45001 certification acquired in Nov. 2019
Kubota Engine (Wuxi) Co., Ltd.	ISO 45001 certification acquired in Nov. 2019
Kubota Saudi Arabia Company, LLC	ISO 45001 certification acquired in Jan. 2020

Initiatives to Reduce Risk for Employees Working Overseas

With the collaboration of specialist international medical treatment and security companies, the Kubota Group is working to reduce risk for employees posted overseas and their accompanying family members and for employees on business trips overseas.

By collecting and analyzing security information at the overseas location, we provide information to Group employees in Japan and overseas. To deal with medical needs, we have rolled out a system operating around the clock every day of the year that provides services including consultation with a doctor by telephone from overseas and arrangement of emergency medical transport.

Respecting Human Rights

Basic Policies Regarding Human Rights

The Kubota Group supports the Universal Declaration of Human Rights, respects the human rights of all people, and does not discriminate or violate human rights on the basis of nationality, race, age, gender, sexual orientation, gender identity or disability, or for any other reason.

The Kubota Group does not permit forced labor or child labor, and also requests that its business partners comply in this regard. These policies are declared in the KUBOTA Group Charter for Action & Code of Conduct and put into practice.

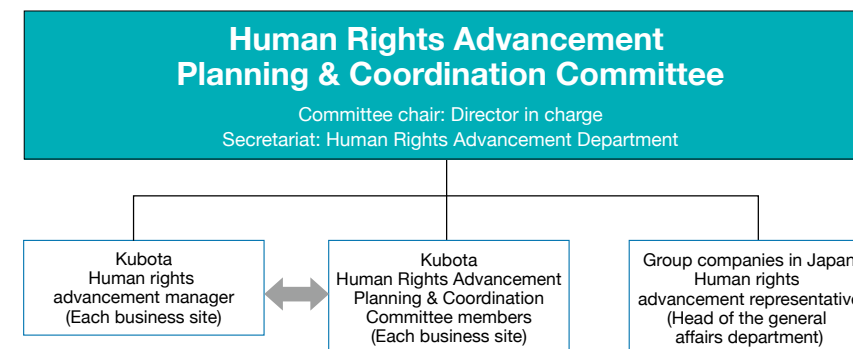
Code of Conduct (excerpts)

- We support the Universal Declaration of Human Rights, and respect the human rights of all people.
- We do not discriminate or violate human rights on the basis of nationality, race, age, gender, sexual orientation or gender identity*, disability, or for any other reason.
* The concept of how one perceives one's own gender.
- We do not permit forced labor or child labor, and also request our business partners to comply in this regard.

Human Rights Advancement System

In Japan, Kubota has a Human Rights Advancement Planning & Coordination Committee headed by a director in charge. Its members at each Kubota site are promoting activities based on the human rights advancement activity policies. At the beginning of each fiscal year, a meeting is held gathering the committee members of all sites.

Besides the committee members, a human rights advancement leader is appointed at each site, who leads the human rights advancement activities of the site.



Human Rights Education

Aiming to create a harassment-free, conducive workplace environment, Kubota plans and provides human rights education programs for all employees, including President and Directors, every year, based on the human rights advancement activity policies. The human rights education program can also be accessed from overseas via an online conferencing system.

The human rights education programs include rank-based training for new employees and at each site. In addition, to ensure ease of access for participants, we continued to offer training via e-learning in 2021. In 2021, all Kubota employees (in terms of the total number of participants) in Japan received human rights education through internal training or training offered by external organizations.

[Results of Internal Training in 2021]

	Internal training	External training	Total
Kubota	16,200 people	301 people	16,501 people
Group companies in Japan	10,411 people	191 people	10,602 people

Major Internal Education Programs

Training for management executives	453 people (including presidents, etc. of Group companies in Japan)
Training for new employees	770 people (including those from Group companies in Japan, etc.)
Training for newly appointed foremen	17 people
Training for newly appointed supervisors	44 people (including those from Group companies in Japan, etc.)
Seminar for harassment consultation office personnel	150 people (including those from Group companies in Japan, etc.)
e-learning courses on human rights advancement	13,627 people (including those from Group companies in Japan, etc.)

* The figures include temporary and re-hired employees.

* For the hearing-impaired, DVD transcripts (or a DVD with subtitles) or lecture texts are provided in advance, so that they can receive training with other participants in the same room.

* e-learning indicates courses targeting all employees (unique programs at various Kubota sites are not included). Separate group training is also held for employees who do not own computers.

● Major Education Themes

- Prevention of harassment
[Includes prevention of sexual harassment, abuse of authority (power harassment), mistreatment of employees with child-rearing or long-term family care responsibilities (maternity harassment, care harassment) and bullying or indirect disadvantaging of sexual minorities (LGBT*¹, SOGI*², etc.)].
- Training for superiors in responding to reports of harassment and promoting two-way communication
- Social discrimination (Dowa) (such as online discrimination towards minority groups (e.g., Buraku), etc.)
- Issues facing the disabled (Act to Advance the Elimination of Discrimination against the Disabled, the disabled employment ratio, etc.)
- Issues facing foreign residents in Japan (hate-based harassment, etc.)
- UK Modern Slavery Act
- The supply chain and human rights (SDGs)
- Results of surveys on KESG awareness
- Revision of the employment regulations, etc. associated with the revision of the Equal Employment Opportunities Act and the Child Care and Family Care Leave Act

*1 Acronym of lesbian, gay, bisexual, and transgender

*2 SO (sexual orientation), GI (gender identity).

● Major External Training

Kubota also encourages its employees to proactively participate in seminars hosted by corporate organizations addressing human rights issues and government organs.

The 41st Human Rights and Dowa Issue Corporate Awareness-Raising Seminar hosted by the Executive Committee*³: A total of 57 participants (including those from Group companies in Japan)

The 52nd Buraku Liberation and Human Rights Summer Seminar hosted by the Executive Committee*³: 17 participants

*3 Hosted by Osaka Prefecture, Osaka City, Buraku Liberation and Human Rights Research Institute, etc.



Human Rights Training for Management Executives (Nov. 4, 2021)
(Theme: Peer pressure and human rights problems)
(Lecturer: Naoki Sato, Commentator and professor emeritus of the Kyushu Institute of Technology)



e-learning materials on human rights advancement

Consultation Office System

As remedial action for victims of human rights violation, Kubota established the Kubota Hotline—a whistleblowing system that includes the use of outside lawyers—and consultation office systems at each of its bases, including those overseas, thereby enabling it to respond swiftly to any issues that may arise.



Click here for details on the whistleblowing system (Kubota Hotline).

Number of cases reported on human rights issues (including harassment) in 2021: 101

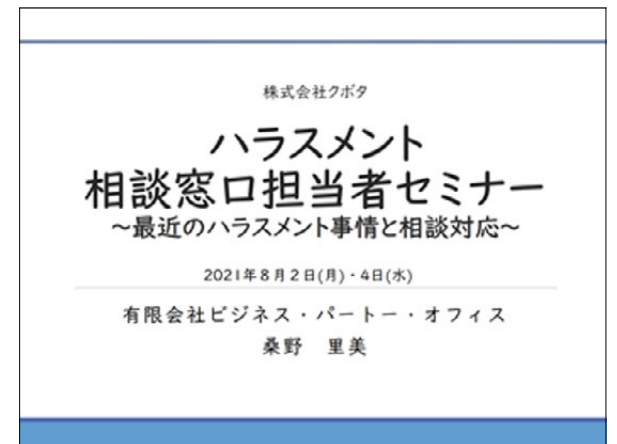
[Whistleblowing System (Kubota Hotline)]

We distribute pocket cards with contact details and introduce such offices through the Company intranet, posters, email magazines, human rights seminars (including via e-learning), and so on.

[Consultation Office System in Japan]

Each year, Kubota holds a seminar for harassment consultation office personnel inviting external lecturers, with the aim of improving their counseling ability and preventing secondary victimization. A total of 150 employees took part in this seminar in 2021, using a web-based system.

The seminar focused on enabling the participants to take prompt and appropriate action against many types of harassment, such as sexual, power, or maternity harassment, or harassment against sexual minorities, without causing any disadvantage to the informant.



Harassment Consultation Office Personnel Seminar (Aug. 2 and 4, 2021)
(Lecturer: Satomi Kuwano, CEO, Business Partner Office)

Activities to Raise Human Rights Awareness

In order to enhance awareness of human rights, Kubota invites human rights-related slogans from all Japan-based employees, including those from Group companies in Japan, every year, and awards excellent slogans during Human Rights Week, which is celebrated every December.

In 2021, entries were received from a total of 19,944 applicants (an application rate of 85.7%) and the best slogan from each business site was posted on a long strip of paper.

Winning slogans were also submitted to a competition held by the Corporate Federation for Dowa and Human Rights Issues, Osaka, of which Kubota is also a member, and the submission of an employee at the Sakai Plant was chosen.

Human Rights Week Activities at Each Base



Installation of banners (headquarters)



Installation of banners (Hanshin Plant)



Awarding the winner of the human rights slogan contest
(Kubota Works Co., Ltd.)



Implementation of human rights training (Sakai Plant)



Installation of standing signboards (Sakai Plant)

Protection of Privacy

From the perspective of respecting human rights and protecting privacy, Kubota conducts several inspections each year for each base to ensure there are no insufficiencies in investigation tasks such as credit surveys, and there are no problematic contents or descriptions from the perspective of human rights violation included in the investigation reports.

Respecting Human Rights throughout the Supply Chain

Kubota declares in the Kubota Group Charter for Action, “we do not permit forced labor or child labor, and also request our business partners to comply in this regard.”

Also, in its CSR Procurement Guidelines, Kubota declares that it does not permit forced labor or child labor, and also requests that its suppliers comply in this regard. The Guidelines also clearly prohibit the use of conflict minerals*, which are a source of funds for armed insurgents.

In May 2017, the Kubota Group released its Group statement with regard to the UK Modern Slavery Act, and has updated its statement each year, which can be seen on our website.

For employees in Japan, explanation is provided during their human rights education programs. At overseas Group companies, the business site heads of each company provide explanation to the employees.



Click here for details.

www.kubota.com/sustainability/society/procure/data/csrprocure_english.pdf

* Tantalum, tin, tungsten and gold and their derivatives, produced in the Democratic Republic of the Congo and its neighboring countries, which constitute a source of funds for armed insurgents, who have repeatedly committed inhumane acts in these countries.

External Related Organizations

Kubota participates in the external organizations below and is working to create a discrimination-free society.

- The Corporate Federation for Dowa and Human Rights Issues, Osaka (also participating in Shiga, Wakayama, Hyogo, Chiba and Hiroshima)
- Osaka City Corporate Human Rights Promotion Council (with related organizations in each municipality)
- The Center for Fair Recruitment and Human Rights Advancement
- Multi-Ethnic Human Rights Education Center for Pro-existence
- Osaka Career Support & Talent Enhancement Plaza
- Buraku Liberation and Human Rights Research Institute, etc.

Promoting Diversity

Policy on Diversity Management

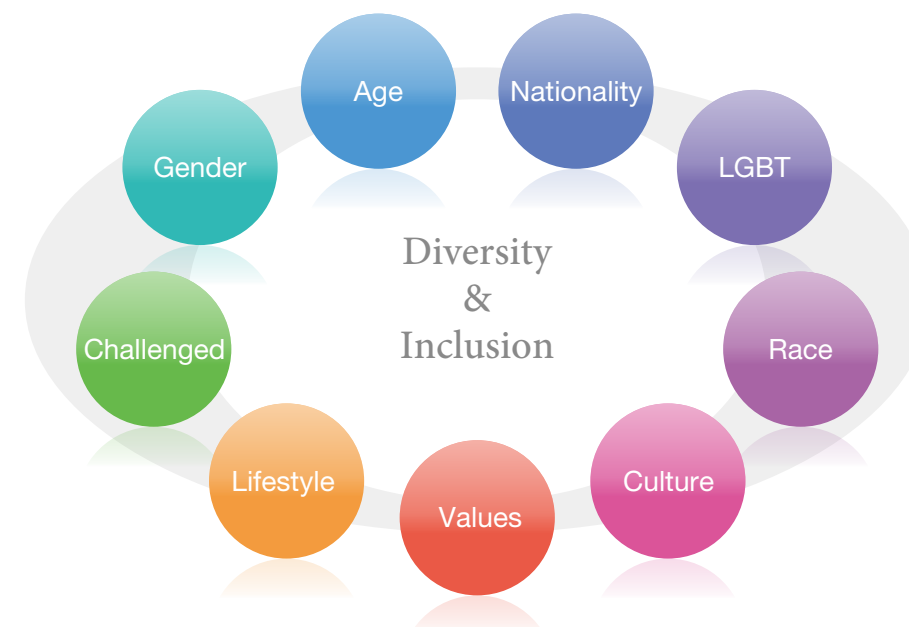
Making Diversity a Priority Commitment

As Kubota expands its operations globally, it is essential for the sustainable growth of the organization to recognize different values and ways of thinking and encourage diverse perspectives. As a first step in promoting diversity, we have been making efforts in the area of women's empowerment by: (1) increasing the number of women hired, (2) creating an environment where women can continue to work amid various life events, and (3) actively promoting the creation of opportunities for women to develop as professionals.

Going forward, while welcoming a diversity of human resources (gender, age, challenged, nationality, etc.), we will not only seek to foster a working environment in which every person can maximize their potential, but also provide long-term nursing care and childcare support and other means to enable employees with various constraints to play a productive role in the organization.

Kubota Strives for Diversity Management that Captures the Potential of Every Individual

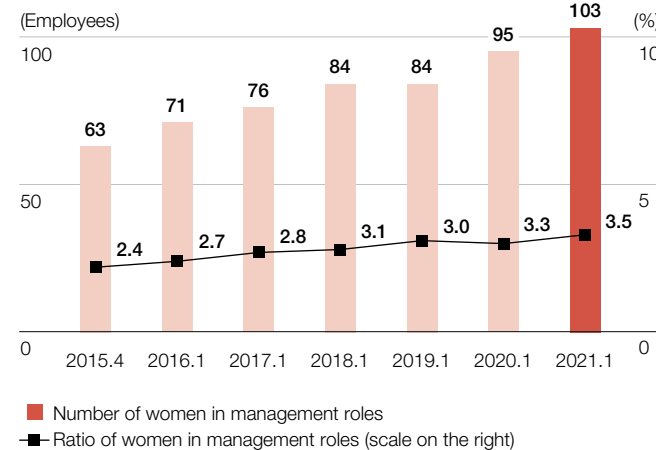
Kubota is a global company engaged in businesses in various regions around the world. Many people work side by side in the workplace bringing differences in language, culture, generation, gender, and values. We seek to accept each person's differences and draw on these as a force in creating new value. The goal of Kubota's diversity management is to transform human diversity into creativity.



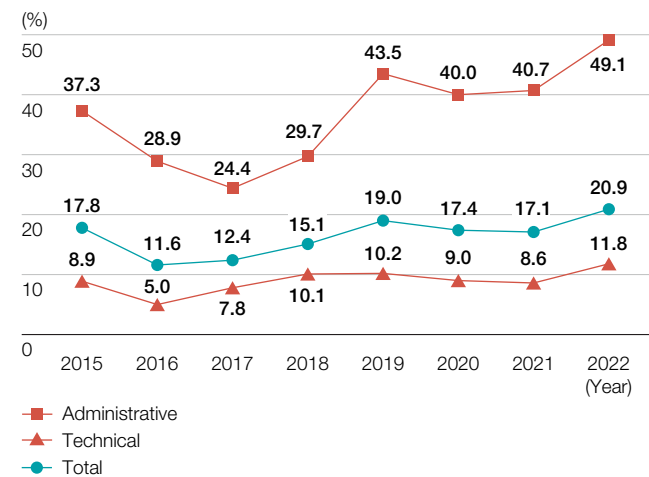
Empowering Women in the Workplace

As a focal point of diversity management, Kubota supports women in the workplace through initiatives such as changing the human resources system and offering various training programs. Having established a Diversity Promotion Office in 2009, Kubota is steadily promoting the advancement of women, such as expanding the occupational scope of women by consolidating occupational roles and other means. The number of women who are promoted to managerial positions has been increasing year by year. The gap in the number of years of working experience between men and women has also been shrinking every year.

Trend in the Number of Women in Management Roles (Kubota Corp.)



Ratio of Women Among Graduate Recruits for Regular Positions (Kubota Corp.)



Offering Various Training Programs, Etc., to Support Women

To date, Kubota has established Group-wide activities aimed at women's participation in outside forums and networking for the purpose of supporting career advancement and fostering a corporate culture that empowers women in the workplace.

Kubota also held leader development training for female employees expected to undertake leadership roles. The aim of the training is to help the participants develop their careers and play more active roles by acquiring the mindset and skills necessary for a leader.

We also hold a round-table talk between directors and female employees.



Leader development training for female employees in staff positions (joint session with supervisors and female managers)

Signed Women's Empowerment Principles (WEPs)

The Women's Empowerment Principles (WEPs) is a set of principles jointly prepared by the UN Global Compact*¹ and UN Women*² in March 2010 to create work and social environments where women's strengths can be leveraged in corporate activities.

The Kubota Group supports these principles and endorsed the doctrine in July 2012, thus positioning gender equality and the empowerment of women as a focal point of its management and pledging to autonomously carry out initiatives.

*1 Global initiative to achieve sustainable growth in international society announced by the UN Secretary-General at the 1999 World Economic Forum.

*2 United Nations entity working for gender equality and the empowerment of women.



Certification for Women's Empowerment Principles

Support for Job Creation and Establishing a Work Environment for People with Disabilities

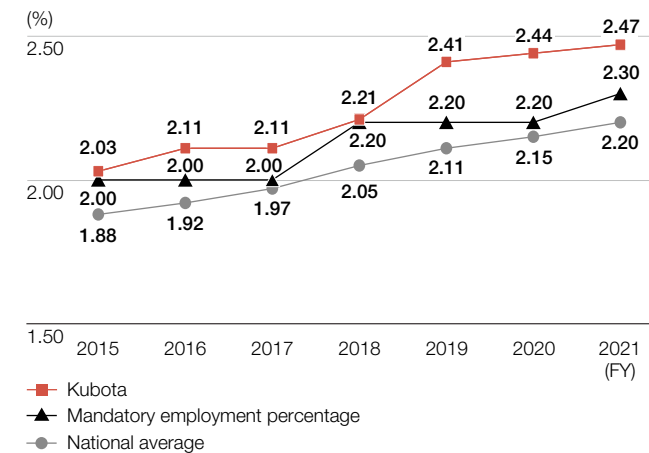
The Kubota Group is active in its initiatives towards the employment of people with disabilities that are aimed at supporting self-reliance, especially through its special subsidiary companies (Kubota Works Co., Ltd. and Kubota Sun-Vege Farm Co., Ltd.)*.

Kubota Works carries out cleaning work, business card and document printing, data entry, and clerical outsourcing. Meanwhile, Kubota Sun-Vege Farm is involved in initiatives to use hydroponic culture to grow vegetables safely and securely with the goals of living in harmony with the community and the practical use of unused agricultural land. The vegetables grown there are used in our company cafeteria and are available for sale to our employees, and some are being sold at supermarkets in Osaka Prefecture.

Going forward, we will continue to expand into new business areas and promote further job creation.

* Subsidiary companies where employers give special consideration to the hiring of people with disabilities in order to promote their employment and provide for their social stability.

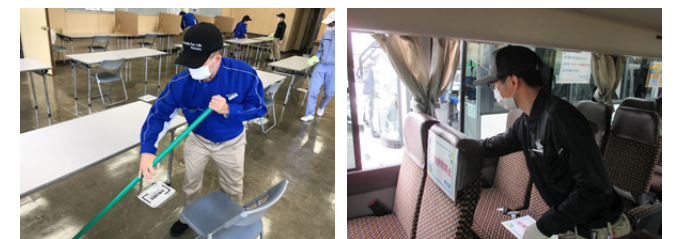
Trend in Percentage of Employees with Disabilities (Applicable Kubota Group Companies in Japan)



* As of June 1 each year



Kubota Sun-Vege Farm Co., Ltd.



Kubota Works Co., Ltd.

FOCUS

Remote Kubota Works Office Tour Held

In November 2021, Kubota held two joint remote officer tours using Google Meet with assistance schools and institutions with whom it has cultivated deep relationships for recruitment of its employees. Approximately 600 people participated in the events.

In prior years, Kubota invited students, teachers, and parents from the schools to a tour of Kubota Works' head office. However, since 2020 when the COVID-19 pandemic occurred, we have held the events using the functions of Google Meet, an online conference software. In FY2021, we showed the appearance of each office and introduced innovations that make it easier for people with disabilities to work, and our employees performed a live demonstration of cleaning.

Although there were some audio and video difficulties along the way, the connection was generally clear, and the tour was completed successfully.

We plan to make even more use of remote tours to raise awareness of Kubota among special schools, organizations involved in employing people with disabilities, and other stakeholders.



Initiatives for Sexual Minorities Such as LGBT Groups

Received Work with Pride Gold 2021

As part of how Kubota promotes diversity, we are promoting initiatives for sexual minorities.

We strive to be a workplace where a diverse workforce can be active regardless of sexual orientation or gender identity, and we are making contributions towards establishing a diverse society where a broad range of values are accepted.



Promotion of Health & Productivity Management

Health & Productivity Management Goals

Kubota's goal for health & productivity management is to enable employees to enjoy a real sense of fulfillment and wellbeing with good physical and mental health. We are also aiming to maximize the performance of our organization by realizing meaningful work environments and contribute to our aims for ESG management.

Kubota Group Health Declaration

In July 2021, the Kubota Group formulated the "Kubota Group Health Declaration," to promote our efforts on health & productivity management even further.

Kubota Group Health Declaration

The Kubota Group declares its commitment to realizing the satisfaction of its employees and their families, and contribute to solving food, water and environmental issues through its business activities, by enabling each individual employee to preserve their physical and mental health in a motivating and positive work environment, being able to utilize their capabilities and individuality in their work.

Key Issues to Be Addressed

Kubota is working mainly to address the issues of lifestyle diseases, mental health, and cancer.

Working together with the Kubota Health Insurance Society, we are working to create appropriate lifestyle habits for preventing lifestyle diseases and cancer, promoting mental health measures, and fully implementing health examinations for early detection and treatment, as well as health guidance. We have also built a health consultation system in partnership with outside organizations, set up workplace environments that are comfortable to work in, promoted the use of annual leave and prevented overwork, and promoted a full range of health activities that are easily accessible for employees.

KPIs	(%)		
	2019	2020	2021
Ratio of smokers	32.2	31.4	29.7
Ratio of regular exercisers (at least 30 minutes per day)	32.9	33.8	33.7
Ratio of healthy BMIs (BMI between 18.5 and 24.9)	71.6	69.4	70.3

Example of Initiatives

● Initiatives for Preventing Lifestyle Disease ◇Health Kubota 21◇

Through Kubota's health building project, "Health Kubota 21," we are taking action on the following priority targets: 1) nutrition and diet, 2) physical exercise, and 3) quitting smoking.

Project leaders at each business location work on innovative ideas to encourage employees to take an interest in building up their health, increasing their health literacy, and work autonomously to improve their health.

- ◆ With regard to nutrition and diet, during the period of health events, business sites came up with innovative ideas, such as setting up pop displays on the cafeteria menu so that employees can make conscious choices to suit their own body, with messages such as "More than 200g of vegetables," "Less than ○ calories," "Less than ○g of salt," "Less than ○g of fat" and so forth, and providing filling yet healthy menus designed by public health nurses, registered nurses, and nutritionists.



- ◆ For physical exercise, among business sites where a large number of employees are continuing to do telework, multiple business sites jointly held online seminars aimed at increasing the number of people who take at least 30 minutes of exercise a day, which is one of the targets of Health Kubota 21. Employees learned practical skills for exercises that can be continued during small breaks in their schedules during work (for eyes, shoulders, and lower back, as well as yoga, etc.) and tried them out during the session. Participants said that they enjoyed stretching for the first time in a long while, and that they looked forward to trying out stretches that can be done while seated during small gaps in the schedules. Others said that participating online gave them the freedom to stretch out at home. Around 80% of participants who responded to a survey said they were satisfied with the program.

● Initiatives for Mental Health ◇Mental Health e-Learning◇

- ◆ Every year, Kubota conducts a mental health status analysis and creates the "Kubota Mental Health Improvement Targets," a plan which lays out the policy, objectives, and initiatives for activities. The plan forms the basis for planning and carrying out activities at each Kubota location. To ensure a uniform level of mental health training can be carried out at every location, we created a five-year plan with themes for every fiscal year for both line-care and self-care and conducted group training. However, in line with infection prevention measures for the long-running COVID-19 infection, some locations have drastically shifted towards telework-centered work styles, and the training style has also changed from group training to e-learning.



Securing a Work-life Balance

In promoting the action plan for general business operators set out in the Act on Promotion of Women's Participation and Advancement in the Workplace, Kubota is eliminating consciousness of gender-based roles in responsibility allocation.

- The gap in the number of years of working experience between men and women is shrinking.
- Over 90% of women are returning to work after taking childcare leave.

In light of the above two points, Kubota proactively encourages its male employees to take childcare leave based on the belief that they should contribute to housework and child-raising so that women may continue to pursue their careers.

For both male and female employees, Kubota promotes the creation of a working environment in which a good work-life balance is ensured.



"Kurumin Mark" for companies with next-generation childcare systems

FOCUS

Kubota Receives the Excellence Prize in the Osaka City Mayor's Awards for Leading Companies in Women's Empowerment

Osaka City certifies companies that actively promote initiatives to create organizations in which motivated women can continue to play active roles, support the securement of a good work-life balance, and support participation by men in child-raising, housework, and community activities, as Leading Companies in Women's Empowerment. Every fiscal year, companies that undertake excellent initiatives are selected from among certified leading companies and awarded. This year, prize winners were selected from among 95 organizations that had acquired the certification from January to December 2016.

Kubota Corporation acquired the certificate on March 31, 2016. Kubota's efforts of "steadily advancing the promotion of women by consolidating job systems to expand women's job scopes and other means," and "establishing effective systems to support childbirth and childcare, while encouraging male employees to take childcare leave through enhancing training programs, launching campaigns, publishing awareness-raising leaflets, etc. with the aim of eliminating the perception of fixed gender roles" were highly appreciated.



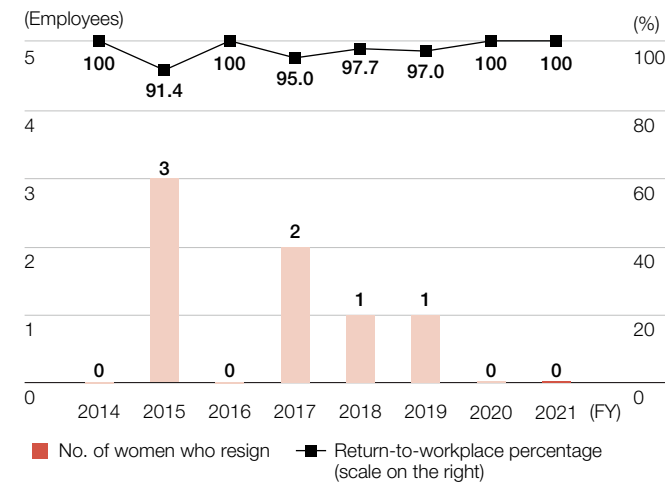
Certification of the Excellence Prize

Training for Employees Returning from Childcare Leave

To dispel concerns regarding returning to the workplace after childcare leave, Kubota provides online training for employees who have taken childcare leave, which their supervisors can also attend.

(Kubota emphasizes that taking leave to raise one's children does not mark the end of one's career. Accordingly, we refrain from using the term "holiday leave" and refer to this instead as "childcare leave.")

Trend in the Percentage of Women Who Return to Work After Taking Childcare Leave (Kubota Corp.)

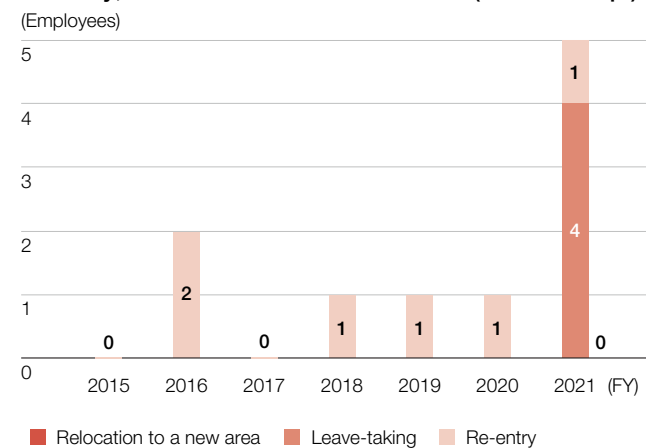


* Tallied from April 1 to March 31 of the following year for each year

System for Leave-taking, Re-entry, Relocating to a New Area

Kubota has put in place a system that allows employees more easily to take leave, re-enter the company, and relocate to new areas. The system is helping prevent as much as possible attrition due to spouse transfers, contributing to employee retention, and supporting employee motivation to continue working.

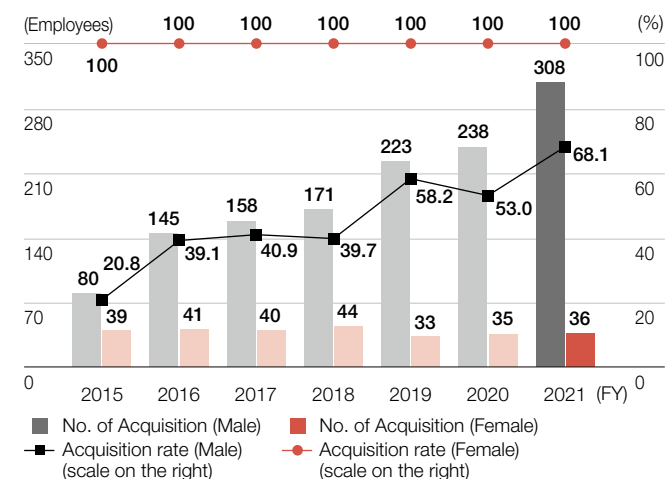
Number of People Using the System for Leave-taking, Re-entry, and Relocation to a New Area (Kubota Corp.)



Encouraging Employees to Take Childcare Leave

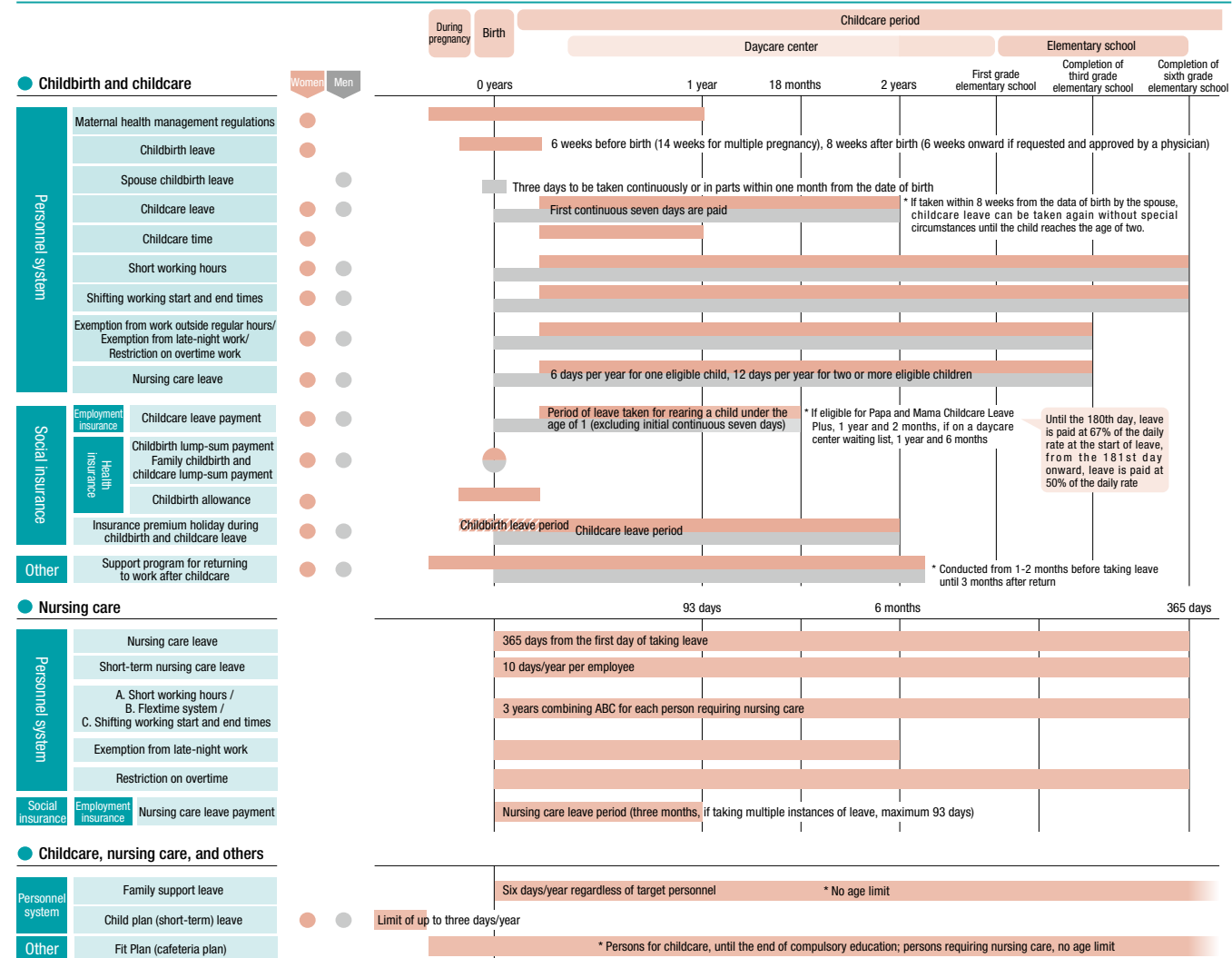
Kubota sets phased targets for the number of male employees taking childcare leave, and actively encourages its use.

No./Percentage using Childcare Leave (Kubota Corp.)



* Tallied from April 1 to March 31 of the following year for each year

Systems Supporting Balancing Work with Family Needs



Promoting the Use of Annual Paid Leave

Kubota encourages employees to use their paid leave days from the standpoint of maintaining their mental and physical health, preventing excessively long working hours, and securing a good work-life balance.

With the promotion policy and specific measures of encouragement shared by labor and management, Kubota encourages the use of paid leave in cooperation with the labor union.

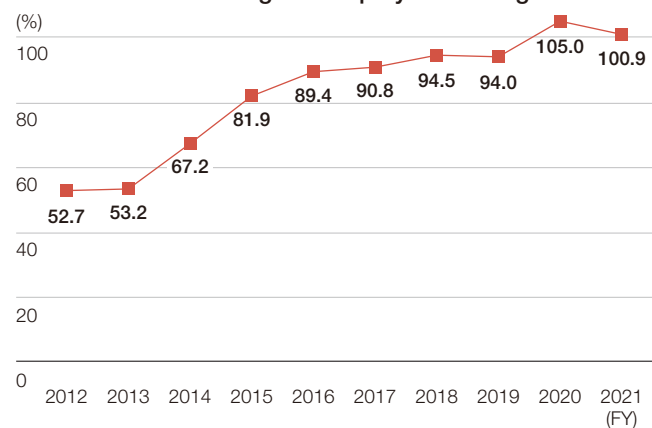
Promotion Policy

1. Recommend that employees take paid leave during labor management negotiations.
2. Create an environment where it is easy to use paid leave.
3. Foster opportunities to rethink the way one works.

Specific Measures of Encouragement

1. Set achievable targets company-wide.
2. Continue and strengthen initiatives unique to each business site, and spread awareness and disseminate information about using annual paid leave.
3. Discuss and implement efficient ways to work, visualize work, and create work manuals to promote communication at each workplace about using paid leave.

Trend in the Percentage of Employees Taking Annual Paid Leave (Kubota Corp.)



* Tallied from March 16 to March 15 of the following year for each year up to 2015
 * Tallied from December 16 to December 15 of the following year for each year from 2016
 * FY2020 and FY2021 include extraordinary vacation days related to COVID-19.

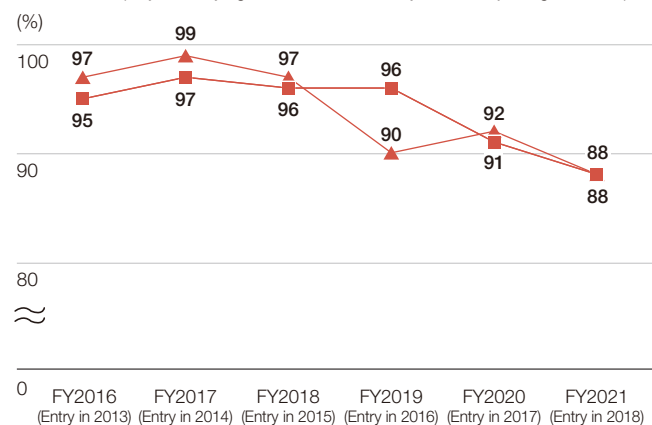
Initiatives to Improve the Retention Rate of New Employees

Every year, many new graduates (from universities, masters courses, and high schools) and mid-career entrants join Kubota.

Kubota endeavors to create an environment that allows new employees to settle in and play active roles by offering training programs before assignment and follow-up support after assignment.

Trend in the Retention Rate of New Employees*1 (Kubota Corp.)

*1 Rate of employees staying for more than three years after joining the Company



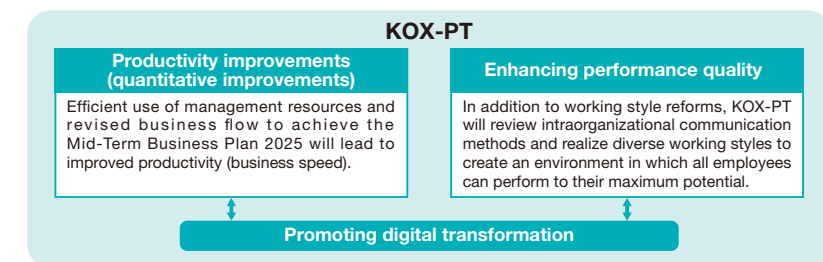
■ Retention rate of new employees (university and masters course graduates)
 ▲ Retention rate of new employees (high school graduates)

Promoting Workstyle Reforms

In July 2020, we launched the Kubota Operation Transforming Project Team (KOX-PT). In addition to assuming the tasks of standardizing back-office operations and making work process improvements which had been carried out since 2017 by the Workstyle Reform Project Team (HK-PT), the new team is working to reinforce Kubota's corporate structure by fully leveraging management resources, particularly human resources, across the entire Group, as well as to boost job satisfaction by building an environment in which individual employees can perform to their maximum potential.

KOX-PT is not simply a part of our working style reforms: The team was launched with the aim of further reinforcing Kubota's corporate competitiveness even in the midst of drastic changes in our business environment. Kubota currently faces the accelerated globalization of our industries, while the entry of newcomers into our markets is having a significant technology impact. This is the climate in which we have to achieve our corporate goals. Thus, KOX-PT's first priority is to improve productivity (business speed) by making efficient use of management resources and revising business flows to achieve our Mid-Term Business Plan 2025.

Since FY2020, Kubota has transitioned to teleworking, primarily for our office-based departments, in response to the COVID-19 crisis. For non-office worksites, we made use of teleworking depending on the work content. Working from home is expected to become standard practice going forward, and Kubota has to evolve its working styles to adapt. We will not only revise various personnel systems, but will also explore the best use of office spaces, both to enable new working styles and also achieve more active internal communication that leads to results under any environment, while realizing diverse working styles for employees.



KOX-PT will actively incorporate digital transformation into various job-related actions to boost work productivity and employee performance.

[Examples of KOX-PT Activities]

1. Promoting digital transformation in internal operations

The team is striving to improve work efficiency and achieve more active internal communication through the use of digital tools.



Active use of online meeting tools

2. Holding working style study workshops

The team is incorporating employee feedback into its planning and implementation of measures to enable new Kubota working styles.



Sharing ideas at a working style study workshop

3. Introduction of 1-on-1 meetings

At Kubota, we are aiming not only for more active communication in the workplace but also seek to create an environment where managers can actively support their staff's growth and help them take on new challenges.



1-on-1 meeting between a manager and staff member



Kubota developed and distributed its own 1-on-1 meeting guidebook

Engagement Survey

Kubota has positioned “employee growth and increase job satisfaction” as one of its materiality issues for promoting K-ESG management. Employees are the main subjects of the Kubota Group’s activities and are particularly important stakeholders. We believe that having positive, motivated employees will generate empathy from other stakeholders.

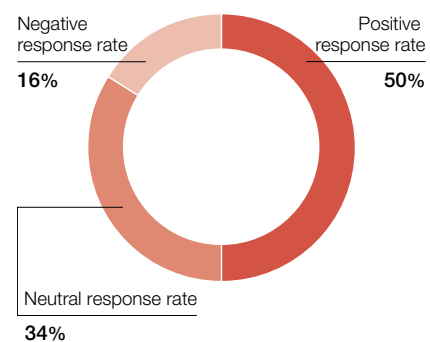
In the engagement survey held in November 2021, the positive response rate on employee engagement was 50%. To increase this score, we will promote initiatives to resolve various organizational issues that were clarified by the survey. During this fiscal year, we will focus in particular on providing growth and development opportunities and stimulating internal communication, as well as conducting career development training, further promoting one-on-one meeting, and expanding town hall meetings.

Going forward we will expand the targets for these initiatives in stages, and use them to increase the level of engagement throughout the entire Kubota Group.

Overview of Engagement Survey

Purpose of the Survey	To further promote K-ESG, ascertain the status of employee engagement and make the Kubota Group a more fulfilling company to work at by tackling the issues that are identified.
Survey Period	November 2021
Subjects	Employees of Kubota Corporation (except technical staff), 6,608 people
Number of respondents, response rate	5,892 people, 89%

Engagement Score



Personnel Measures in Tune with Globalization

Expanding the Overseas Trainee System

From the World to Japan

As overseas businesses are expanding rapidly, it is urgently necessary to develop human resources who are capable of playing a core role in promoting the autonomy of overseas sites.

Under these circumstances, Kubota started an overseas trainee system in 2015 with a view to developing candidates for managers and supervisors, and engineers at overseas sites.

Kubota has accepted a total of 33 trainees so far. While continuing to receive trainees from China, Thailand and Indonesia, the Company will also invite trainees from other areas, thereby promoting human resources development to help foster the autonomy of overseas sites.



I Worked at the Tsukuba Plant as a Trainee from Kubota Engine (Thailand) Co., Ltd. (KET) for About a Year.

I worked at the Tsukuba Plant, the mother plant of KET in Thailand, as a trainee for about a year. At KET, it takes more time than at the Tsukuba Plant to solve the same problem in terms of quality, cost, or productivity. During this training, I learned various problem-solving approaches, such as 4M analysis and the 3-Gen Principle. After returning, I will form a promotion committee concerning quality, cost, and productivity and make KET a strong plant with SEQCD equivalent to the Tsukuba Plant.



Wanthida Taraket
Kubota Engine (Thailand) Co., Ltd.

From Japan to the World

Since 1997, Kubota has dispatched a number of employees to its overseas subsidiaries and affiliated companies each year for training purposes. In 2016, we started sending trainees to learn about cutting-edge agriculture at Wageningen University & Research in the Netherlands; and in 2021, we started sending trainees to learn about the latest precision agriculture at the University of California in the United States. Looking ahead, we will promote these dispatches as the most effective means of cultivating global human resources.



Study at Harvard Business School

As the pace of globalization accelerates, we aim to quickly develop human resources who can compete with the world’s leading companies by increasing the global standards and advanced business skills of our personnel and cultivating a global mindset. To achieve this goal, each year we select two Kubota employees to study at Harvard Business School.



Personnel Policies and HR System (Kubota)

Basic Personnel Policies

Foster a corporate culture full of vigor with emphasis on taking on challenges and creativity.
Find the right person for the right job based on their abilities and ambitions.

Basic idea of personnel system operations

1. Equal opportunity: Each employee can strive to attain any role or position.
2. Right person for the right job: Aim to place the right person in the right job based on their abilities and ambitions.

Overview of Personnel Training, Performance-based Promotion and Compensation

There are three career paths comprising expert positions, staff positions and technical positions for different roles and responsibilities. The personnel system offers personnel training, and performance-based promotion and compensation for each of these career paths.

Employees can change career paths based on their abilities and ambitions.

Career	Expert positions (management class)	Staff positions (administrative and general class)	Technical positions (technical class)
Definition of personnel (main roles)	People who drive the business, solve problems that arise in operations, and exhibit a high level of performance based on their willingness to take on challenges, advanced expertise, abundant knowledge and extensive experience and know-how	People who contribute to the business, take on challenges for their own growth, and take on broad responsibilities, especially work that requires expertise, creativity and experience, while aiming to establish a field of expertise	■ People who are in charge of work responsibilities, supervise and nurture subordinates, and achieve work objectives ■ People who improve work processes based on advanced skills, knowledge and experience, and can perform complicated work
Training and education	■ Department and section head class: management training ■ Upcoming management assistants: selective training	■ All employees: specialized training for specific objectives that employees can choose on their own from a curriculum of about 140 courses of varying difficulty and subject matter ■ Future management assistants: selective training	Rank-based training to improve technical skills and quickly foster supervisors with a particular focus on training in the “5-Gen” principles
Evaluations	■ Employees set targets with their bosses at the start of the year. Meetings are held during the year to evaluate progress towards these targets, followed by a self-evaluation and a review meeting on the achievement status at the end of the year. ■ Bosses evaluate their subordinates, including their performance of processes and work behavior.		■ Executives set targets with their bosses at the start of the year. Meetings are held during the year to evaluate progress towards these targets, followed by a self-evaluation and a review meeting on the achievement status at the end of the year. ■ Non-executives endeavor to achieve the targets set with their bosses. ■ Both executives and non-executives are evaluated comprehensively based not only on the achievements and results, but also on their attitudes, behavior and roles.
Rotation	The work responsibilities of each employee are reviewed periodically, taking into consideration workplace needs and the employee’s preferences, to avoid having employees perform the same work for long periods.		
Ranking (Basis upon which compensation is determined)	■ Six rankings (In addition to the above, advanced specialist grades are set on a five-ranking double track) ■ Moves up in the rankings based on contribution to performance	■ Seven rankings ■ Moves up in the rankings based on contribution to performance (Some require testing)	■ 11 rankings ■ Moves up in the rankings based on contribution to performance (Some require testing and technical qualifications)
Salaries	Each ranking has upper and lower limits to its monthly salary.		
Bonuses	Bonuses are designed to reflect consolidated performance and individual performance.	Bonuses are designed to reflect individual performance and bonus amounts set as standards in annual labor-management negotiations.	
Retirement benefits	Retirement benefits are based on a point system that reflects rank, years of service, and evaluation.		


Fostering a CSR-based Mindset

Activities for Instilling the Corporate Principles —Instilling a Mindset Capable of Resolving Social Issues

As globalization of the economy and advancement of diversity have enabled the employment of a wide variety of personnel, there is a growing need for all Kubota Group employees around the world to understand and share, across national borders, generations and job ranks, the basic philosophy and concepts that serve as the basis of the Kubota Group's global management. All employees of the Kubota Group are expected to understand and recognize the Group's founding spirit and common values, thereby further enhancing loyalty and advancing the Group-wide promotion of business activities. To this end, the “Kubota Global Identity,” global common corporate principles of the Kubota Group, were established on October 1, 2012 and then updated to their current format on July 1, 2016. In order to instill these corporate principles throughout the entire Group, including at overseas bases, Kubota has systematically promoted activities since FY2013.



Attendees at the corporate principles symposium held on February 6, 2020

 Click here for the “Kubota Global Identity.”
www.kubota.com/corporate/identity/

These activities were conducted annually worldwide under a five-year plan between 2013 and 2017. Since 2018, we have shifted the focus of activities to new employees and we continue to work on instilling the corporate principles among employees so that each person can regularly review their understanding of them mainly by holding conversations about the principles and highlighting the thoughts of employees in company newsletters. Moreover, given that FY2020 marked 130 years since Kubota's establishment, there will be opportunities for employees once again to study the thoughts and words of the company's founder, look back on the history of the Kubota Group, and reconfirm the growing expectations placed on us by the international community to make contributions in the areas of food, water, and the environment. In many aspects, the corporate principles of the Kubota Group are related to the shared global goals of the SDGs, so we will continue to undertake activities through which we consider the connections between the Kubota Group and the SDGs.

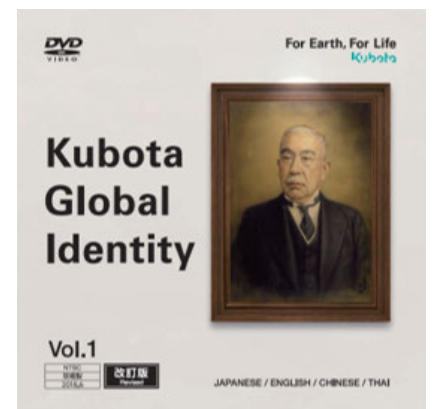
Participation Statistics for Our Corporate Principle Activities (Including Temporary Employees)

Fiscal year	Activity step (five-year plan)	Number of participants	Degree of satisfaction*
FY2013	(1) Acknowledgement	28,969	71%
FY2014	(2) Understanding	35,470	73%
FY2015	(3) Practice and application	35,089	78%
FY2016	(4) Concrete practice	40,855	83%
FY2017	(5) Concrete practice (continued)	41,400	79%

* Numbers reflect the percentage of people responding at least “somewhat satisfied” for degree of satisfaction at lectures held in Japan

Attendee Impressions (new employees)

- I came to understand what it is that Kubota's DNA has accomplished and where the next challenges lie. It prompted me to do my best, no matter how insignificant my actions might be. (new graduate recruit)
- The statement that “challenges at Kubota don't have to be extravagant” left an impression on me. I tend to imagine a challenge as being something enormous, so I came to learn that what I think of as a challenge should be the challenge in its entirety and that the simple act of embracing the challenge is more important than how big or small the challenge actually is. (new graduate recruit)
- Before I joined Kubota I was already aware that it was globally active in the fields of food, water, and the environment—elements essential to human survival—but I now understand why Kubota has been able to deliver solutions in these fields on a global scale. That is, a long history coupled with Kubota people worldwide never giving up even in the face of adversity. I too now want to make the same kind of contributions. (mid-career hire)



The DVD conveying Kubota's corporate principles is distributed overseas as well. It includes chapters on the founder's story, 130 years of Kubota history, and challenges going forward.

FOCUS

Internal and External SDGs Awareness & Publicity Activities

In FY2021, the Kubota Group implemented the following activities.

■ Participation in UN Food Systems Summit

The United Nations Food Systems Summit is attended by not only government representatives, but also various parties, from production to consumption, that have an interest in food systems, such as producers, corporations, and consumers. The summit was held in September 2021 for the purpose of promoting concrete actions with which people can implement in order to build sustainable food systems. Not only did Kubota express its support of the aims of the summit, but in the leadup in June 2021 we submitted a commitment to the Ministry of Agriculture, Forestry and Fisheries of Japan to address carbon neutrality and the realization of a circular food production system by 2050 in order to help promote environmentally sustainable agriculture and more resilient food systems.

■ Presentation at the University of Tokyo Water Forum

The University of Tokyo Water Forum is a platform mechanism centering mainly on university researchers in the field of water, but is also open to the participation of corporate researchers. The topic of the forum's public symposium held in December 2021 was "Sustainable Society and Water." Roughly 200 people participated, including staff and students of the University of Tokyo, government research institutes, and private sector companies. The symposium was held online and Kubota delivered a presentation on the topic of the SDGs and Kubota's style of ESG management. Kubota also participated in, and exchanged opinions at, the panel discussion session during which professors and lecturers wrapped up the discussions of the symposium.


Kubota supports the aims of the "SDGs trains" that started running in September 2020 and has since displayed its own original posters in the train cars in an effort to raise awareness about the SDGs.

* Wrap advertising trains carrying SDGs-related themes operated by Hankyu Railway, Hanshin Electric Railway, and Tokyu Railways. Each car is wrapped on the outside with information on the SDGs, and the original posters of sponsoring companies are displayed on board.



Original posters portraying Kubota's engagement in the areas of food, water, and the environment, using cute animals drawn by illustrated book author Tomonori Taniguchi.

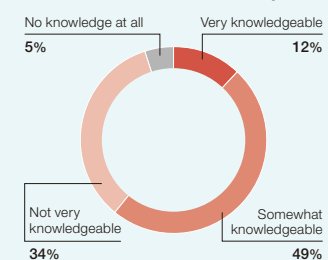
See the following website for more information about the SDGs trains. (only in Japanese)

 Hankyu Hanshin Holdings, Inc.
www.hankyu-hanshin.co.jp/yume-machi/sdgstrain/gallery.html

 Tokyu Group
www.tokyugroup.jp/sdgs/



SDGs Awareness in the Kubota Group



From a FY2021 K-ESG awareness survey conducted on Kubota Group employees in Japan

ESG Forums for Management-Level Employees and Other Activities

To promote our style of ESG management, as called for in Kubota Group's Long-Term Vision GMB2030, we improved the format of our longstanding CSR Forum and rebranded it the ESG Forum. We held a session of this new forum online in November 2021. Approx. 230 people participated, including the Kubota management team, general managers, presidents of Group companies in Japan, and the heads of CSR/general affairs. A lecture on social issues such as global warming and biodiversity and how the world is working to resolve them, as well as the kind of ESG management currently required in society, was delivered by Ms. Mariko Kawaguchi, an experienced sustainability researcher at the Daiwa Institute of Research and highly esteemed consultant for private sector firms. It was useful advice for Kubota with Ms. Kawaguchi commenting at the end of the forum about what she hoped to see the company achieve going forward.



Ms. Mariko Kawaguchi emphasized the importance of ESG management



A snapshot with the management team

CSR/ESG Forums and Other Activities (Past Eight Years)

Timing	Lecturer	Topic	Participants (including ON-LINE)
Dec. 2014	Lawyer	Adapting to environmental changes and compliance	147
Sep. 2015	Lawyer	Global compliance management	163
Sep. 2016	Professor	Considering sustainable management for the Kubota Group	195
Sep. 2017	Lawyer	The roles of management executives in preventing/responding to corporate scandals	268
May 2018	Professor	Water, food, the environment, and SDGs	233
July 2019	Professor	A manufacturing strategy in the age of digitalization	276
Oct. 2020	Journalist	CSR Dialogue, subject of: Pandemics and the future of CSR/ESG management and the SDGs	Six internal directors, including the Chairman and the President
Nov. 2021	Project Professor	Sustainability as a Strategy, Not as Ethics –ESG Management Required Today	230 (approx.)

Rank-based CSR Training

Since the scope of CSR covers a lot of ground, when employees enter the company or are promoted, not only do we provide detailed information and training about such issues as product quality, the environment, safety, and human rights, but our ESG Promotion Department conducts rank-based training concerning all things related to ESG management, while the Corporate Compliance Department does the same for general compliance topics. These training courses employs tools such as PowerPoint presentations and various pamphlets, and also weaves in case studies, to teach employees about Kubota's approach to CSR management and provide an overview of plans and initiatives for undertaking philanthropic activities and promoting compliance.

FY2021 Statistics (Lecturers from the ESG Promotion Department)

* Some educational events were conducted by video in FY2021 due to concerns about COVID-19.

	Participants	Timing	Length (per session)	Notes
Kubota	Newly appointed section managers	May and October 2021	60 minutes	
	Employees promoted to expert positions	March 2021	60 minutes	
	New staff hires	April and May 2021	60 minutes	Two sessions on separate topics
	New mid-career hires	January to December 2021 (monthly)	40 minutes	Held in the month the employee was hired
	Newly appointed foremen	March 2021	60 minutes	
	Newly appointed supervisors	March and September 2021	45 minutes	Split up into 2 sessions for participants

Employee K-ESG Awareness Survey (Previously CSR Awareness Survey)

From November to December 2021, we conducted a Kubota Group Employee K-ESG Awareness Survey. Kubota employees working abroad were included in the target audience again this time. The survey gauged the understanding and awareness of employees regarding Kubota's corporate principles, Code of Conduct, and K-ESG management and compliance, and also sought to confirm their thoughts about the workplace environment. In the section where employees can freely voice their opinions, many respondents provided honest points of view on how the Kubota Group could be improved. The Company's responses to these opinions and other feedback are communicated to employees through the Company intranet. Feedback on the results of the survey are provided for each business division to each director, and for each Group company to each company.

The K-ESG Awareness Survey is a valuable form of communication between employees and the Company. Its importance was noted in our management policy for FY2022, and we again picked up on the opinions of individual employees, and the president has issued instructions for the Company to work on resolving issues.

We plan to continue conducting it every year as a means of increasing employee awareness and identifying areas for continual improvement as a company.

* K-ESG: Kubota-style ESG

* Since FY2021, Kubota Corporation has also conducted an Engagement Survey in parallel with the K-ESG Awareness Survey. (See p. 131 for details).

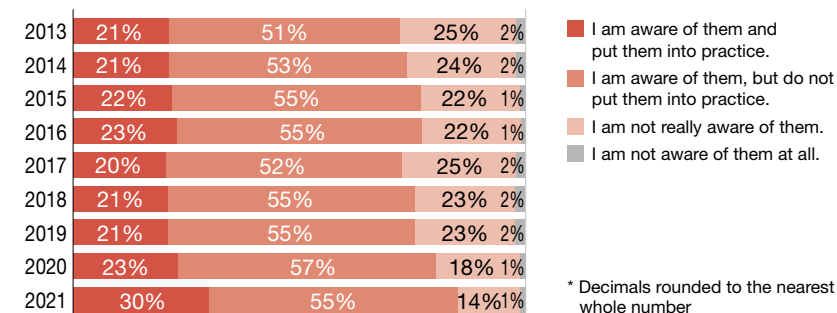
Respondents

Fiscal year	Number of respondents	Percentage of free opinions*
FY2013	6,366	10%
FY2014	7,316	8%
FY2015	7,696	9%
FY2016	8,427	10%
FY2017	11,659	9%
FY2018	12,840	12%
FY2019	13,007	14%
FY2020	15,275	13%
FY2021	15,644	14%

* The percentage of respondents that also provided an opinion

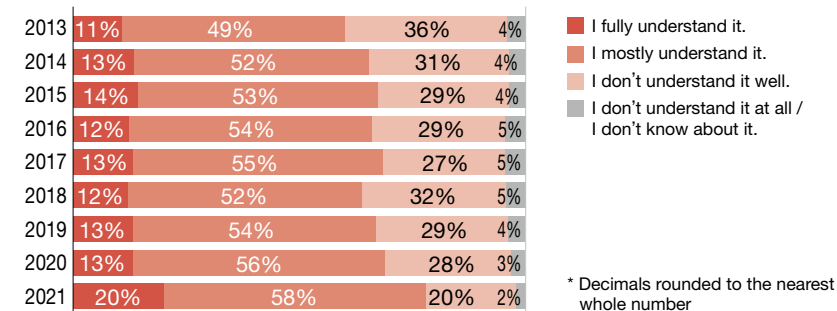
Answers to Key Questions in the Employee K-ESG Awareness Survey

Are you aware of the Kubota Group's mission of helping to solve issues surrounding food, water, and the environment—the elements essential to human survival—as well as our brand statement “For Earth, For Life,” and have you considered what you can do in your position?



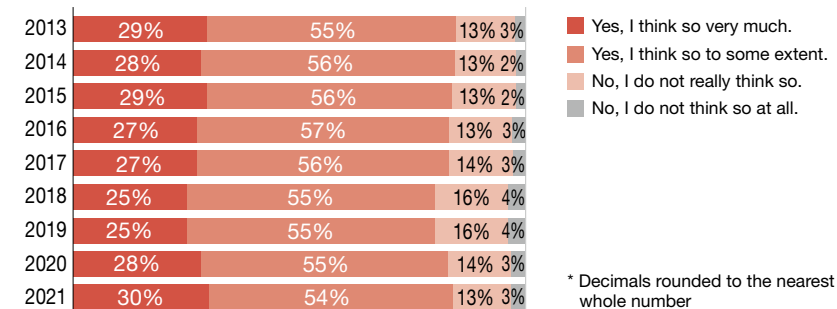
Since the start of activities to instill awareness of the corporate principles in FY2013, ongoing efforts to communicate information to employees (whether it be activities implemented annually or from time to time) are leading to an entrenched sense of awareness.

Do you have a good understanding of the Kubota Hotline system?



We continue to promote awareness of the Kubota Hotline (internal whistleblowing system), improving understanding of its benefits.

Does your superior listen to you and support you when you are troubled with something?



Kubota has repeatedly stressed the importance of managers communicating with their staff and conducting personal face-to-face communication. This helped bring about an improvement in communication even during the COVID-19 crisis.

Involvement with Local Communities

The Kubota Group respects the cultures and customs of each country and region in which it conducts business, and endeavors to establish relationships of trust with local communities. Moreover, Kubota proactively engages in social contribution activities in order to fulfill its responsibilities as a corporate citizen.

The Kubota e-Project

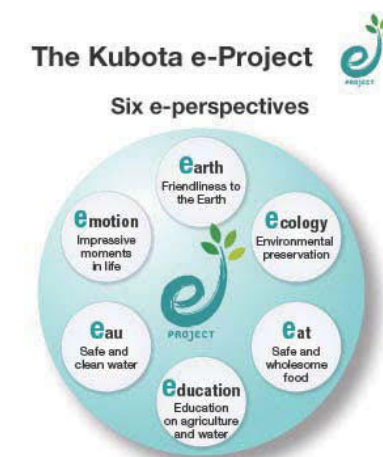
Social Contribution Activities in the Areas of Food, Water, and the Environment

Kubota launched the Kubota e-Project in FY2008 in an effort to contribute to society in the areas of food, water, and the environment.

Kubota Group promises to continue supporting the prosperous life of humans while protecting the environment of this beautiful Earth. Based on this commitment, Kubota seeks the understanding and cooperation of its stakeholders as it contributes to the creation of a sustainable society.

Five Key Points

- (1) Effectively utilize Kubota's managerial resources to
- (2) continuously undertake social contribution activities, including (3) the provision of information to external parties, with a view to (4) solving social issues (5) in the fields of food, water, and the environment.



Basic Policy of the Kubota e-Project

Kubota aims to ensure the survival of the beautiful global environment and help bring about a sustainable society by effectively utilizing its management resources to resolve issues in the fields of food, water, and the environment—elements that are indispensable to people worldwide leading prosperous lives. To that end, we engage in social contribution activities in the following six areas:

1. Food

We contribute to the efficiency in agriculture and stable food production through our business, thereby supporting the sustainable development of agriculture through farm management programs and activities supportive of local farmers.

2. Water and the Environment

We contribute to the reclamation and supply of safe and clean water through our business and undertake initiatives that benefit communities and society mainly by improving water environments and planting trees.

3. Educating the Next Generation

We seek to solve issues in food, water, and the environment. By organizing lectures and workshops in these three areas to support the sound development of the next generation of young people, we contribute to the development of local communities and the realization of a sustainable society.

4. Local Communities

As an active member of the many local communities worldwide where we have a business presence, we contribute to community-driven development projects, such as cleanup work and charitable donations.

5. Sports Promotion

In addition to managing the Kubota Spears Funabashi TOKYO-BAY rugby team, we contribute to the revitalization of local communities mainly by promoting the SDGs through team activities, sponsoring local sports teams, and co-sponsoring sports events.

6. Disaster Relief

Our corporate principle is to support people's prosperous lives, which is why we offer our assistance in various ways to regions around the world stricken by natural disasters. Together with our employees, we continue to help local communities get back on their feet as soon as possible by responding to their need for assistance during times of emergency, recovery, and reconstruction.

Solving Social Issues

e-learning Agricultural Studies (Thailand)

As a way of supporting people suffering from economic hardship during the COVID-19 pandemic, Siam Kubota Corporation Co., Ltd. offered free online agricultural study courses from March to September, 2021 to 3,427 people, most of whom were unemployed or interested in farming.



Bee Project (Netherlands)

Since 2017, bee hives have been a feature of the premises of Kverneland AS. The hives are home to honeybees, which are especially effective in improving pollination and restoring diversity to the local ecosystem.



Selling Local Farm Products “Tsukuba Marché” (Japan)

With the aim of promoting local production for local consumption of agricultural products, supporting farmers during the COVID-19 pandemic, and providing vegetables to our employees at low prices, a market is held once a month on the premises of the Kubota Tsukuba Plant so that the vegetables that the users of Kubota farm machinery produced can be sold.



Donation of Tractors to Batangas (Philippines)

In April 2021, Kubota Philippines, Inc. donated tractors (L4018 model) to the Ibaan region in the city of Batangas in an effort to improve farming productivity there.



Preserving Terraced Rice Fields (Japan)

With the aim of better understanding agriculture so that we can engage in manufacturing from the perspective of our customers, since 2014 the Kubota Utsunomiya Plant has participated in a program to manage “the Ishibatake terraced rice paddies”* in the town of Motegi in Tochigi Prefecture.

* The paddies are listed in the 100 Terraced Rice Fields of Japan, as designated by the Ministry of Agriculture, Forestry and Fisheries.
** Participation in the program was put on hold in 2021 due to COVID-19.



Locally Grown Rice Used at Employee Cafeteria (Japan)

With the aim of promoting local production for local consumption of locally grown rice and enhancing the employee cafeteria menu, the cafeteria on the premises of the Kubota Tsukuba Plant uses rice grown by local users of Kubota farm machinery.



Hydroponics Business Employing Disabled People and Utilizing Idle Farmland (Japan)

To protect the natural environment of rural villages while also creating employment opportunities for people with disabilities, since January 2011, Kubota Sun-Vege Farm Co., Ltd. has produced and sold hydroponic vegetables on unused farmland in the town of Kanan in Osaka Prefecture.

* 17 disabled people are currently employed.



 Kubota Sun-Vege Farm (only in Japanese)
www.kubota-works.co.jp/

Kubota Forest (Japan)

To protect the watershed forests in the upper reaches of the Tama River that are owned and managed by the Tokyo Metropolitan Government's Bureau of Waterworks, since 2017 we have cooperated with the Bureau by sponsoring 2.89 ha of this area as part of the Tokyo Waterworks Corporate Forest Naming Rights Project. Named the “Kubota Forest,” it is here that new employees come every year to clear the land, cut the grass, and plant trees.

* Kubota Forest activities were suspended in 2021 due to COVID-19.



Educating the Next Generation

Donation of New Rice to Nationwide Children's Cafeteria Program (Japan)

To bring about a sustainable and better society in which "No one will be left behind" and to support the next generation tasked with building a future world, in November 2021, we donated roughly 54 tons of new rice harvested in 2021 to the NPO that runs approximately 560 children's cafeteria locations nationwide under the Kodomo Shokudo program.



Supporting the National FFA Organization (US)

To nurture leaders in agricultural fields, every year Kubota Tractor Corporation sponsors the National FFA (Future Farmers of America) and provides personnel support at its various events.



Donation of Kubota M7 Tractor to Agricultural College (France)

To develop future leaders of agriculture by having them acquire the knowledge of operating and maintaining farm machinery, in February 2021, Kubota Farm Machinery Europe S.A.S donated a Kubota M7 tractor to an agricultural college in the north of France.



Donation of Demonstration Engine to Vocational Training School (Indonesia)

For the purpose of training teachers for vocational training schools, in September 2021, P.T. Kubota Indonesia donated a demonstration engine together with a maintenance training course.



Kubota Active Lab (Japan)

To get more young people interested in science and technology, since 1985 Kubota has sponsored a basic science seminar run by the Asahi Shimbun, one of Japan's leading newspapers. In 2021, approximately 356 junior and senior high school students participated in the event, which was named "the Kubota Active Lab 2021." The topic of focus was "the current and future global environment as seen from Antarctica," with lectures delivered by Asahi Shimbun reporter Yumi Nakayama and Associate Professor Yusuke Suganuma from the National Institute of Polar Research.

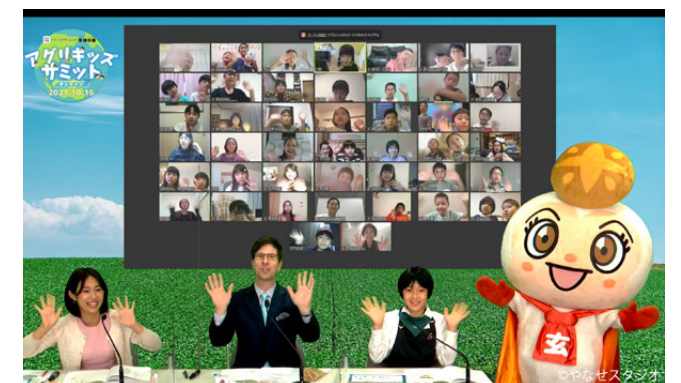
* The event was hosted online in 2021 due to COVID-19.



Kubota TERRA-KOYA (Japan)

Since 2007, Kubota has sponsored the Terra-Koya to help children learn about the bountiful blessings of nature and the importance of the global environment. In 2021, the theme of the workshop was about encouraging children to find their own activity in agriculture. A total of 54 elementary school students spanning grades 1 to 6 took part.

* The event was hosted online in 2021 due to COVID-19.



Visiting Lectures (Japan)

At schools and events around the country, Kubota continues to deliver visiting lectures on such topics as the links between the Kubota Group and the SDGs or the future of global and Japanese agriculture.

Six junior high and senior high schools were visited in 2021 (total of 254 attendees)



Genki Agriculture Experience Workshop (Japan)

To raise awareness of agriculture and to promote the aesthetic aspects of the industry by providing opportunities for people to experience rice farming, including rice transplanting, harvesting, and taste testing, Kubota and its domestic farm machinery distribution company have run a farming experience workshop since 2016. Hokkaido-KUBOTA Co., Ltd. hosted an online event for children in 2021 owing to the COVID-19 pandemic.



Community Activities

Donation of Appliances and Water Supply Equipment to Local Medical Institutions (Thailand)

With the aim of halting the spread of COVID-19 infections, in May and June 2021, Kubota Engine (Thailand) Co., Ltd. and Siam Kubota Metal Technology Co., Ltd. donated refrigerators and microwave ovens to a major regional hospital, as well as a reverse osmosis water supply system for treating well water to a local health clinic.



Donation of Books to Nearby Housing Development (China)

To deepen ties with a neighboring housing development, in December 2021, Kubota Agricultural Machinery (Suzhou) Co., Ltd. donated children's books to the local facilities.



Elementary School Drawing Contest (France)

As part of its activities for interacting with the local community, Kubota Farm Machinery Europe S.A.S hosted a drawing contest for the third time for local elementary school children in the town of Bierne in France. The theme of the competition in 2021 was "farm families" and a total of 50 drawings were entered. Prizes were handed out to the winners and participants, bringing smiles to the faces of everyone in attendance.



Donation of Food to a Charity Foundation (Indonesia)

In May 2021, P.T. Kubota Indonesia donated food to a charity foundation for young people, as a way of providing assistance to local regions in need.



Sponsoring of Children's Soccer School (Myanmar)

In order to promote the sport of soccer among children and deaf people in Myanmar, in 2021, Kubota Myanmar Co., Ltd. sponsored the Albirex Niigata Myanmar Soccer School, which was hosted at Dream Train, a youth development center run by the Japanese NGO Japan Heart.



Sponsoring of Leader Development Business (US)

With the aim of nurturing community leaders in its hometown of Salina in Kansas, Great Plains Manufacturing, Inc. sponsored a leader development program that ran from August through November 2021.



Kubota e-Day (Japan)

Since 2008, Kubota and its Group companies in Japan have arranged volunteering opportunities so that employees can voluntarily take part in beautification and cleanup activities as part of Kubota's community activities. To date, a total of around 8,000 employees have volunteered.

* Activities were suspended in 2021 due to COVID-19.



Mainichi Earth Future Prize (Japan)

Kubota has sponsored the Mainichi Earth Future Prize since its initial establishment in 1989 as the Mainichi International Exchange Prize. The prize seeks to extol and publicly commend individuals and groups working on solutions to social issues at the grass-roots level in Japan and overseas in the fields of food, water, and the environment. In the fiscal year that ended March 31, 2021, two organizations were awarded the Grand Prize, two organizations received the Kubota Prize, two organizations were presented with the SDGs Future Prize, and four organizations took home the Encouragement Award.

* The presentation ceremony was held online in 2021 due to COVID-19.



Japan Cup Cycle Road Race (Japan)

Every October, the Japan Cup Cycle Road Race is held in the city of Utsunomiya and as part of their local community-based activities, employees of Kubota Utsunomiya Plant, Kubota ChemiX Tochigi Plant, and Kubota Air Conditioner Tochigi Plant provide marshaling support during the race and help out with the post-race cleanup.

* The race was held online in 2021 due to COVID-19.



Donation of Industrial Humidifier and Air Purifiers to Hospitals, Local Governments, and Schools (Japan)

In order to support frontline workers at hospitals, local governments, and educational institutions, in May 2020, Kubota and KUBOTA KEISO started donating "Pure Washers"—the company's industrial humidifier and air purifier.



Social Contribution Activities through Corporate Sporting Events

Managing the Rugby Union Team Kubota Spears Funabashi TOKYO-BAY, Contributing to the Spread of Rugby and Promotion of SDGs through Rugby

Kubota manages the Kubota Spears Funabashi TOKYO-BAY rugby union team, which competes in the Japan Rugby League One competition. The team's home ground is located on the premises of the Keiyo Plant in Funabashi, Chiba Prefecture. In 2017, the team signed a hometown agreement with Funabashi City and then partnership agreements with Tokyo's Edogawa Ward and Chiba Prefecture's Narita City in 2020, followed by Ichihara City in 2021. Through these tie-ups, the Spears are seeking to use rugby as a way of contributing to neighboring communities. With a team vision of being a "Proud Billboard," the Spears are striving to be a winning team beloved by fans, and to draw on this position to build up the sport of rugby by offering rugby tryout days and coaching, as well as engaging in activities to address community issues and promote the SDGs.



Working together with the Board of Education, a visiting lecture was conducted at a neighboring elementary school (coaching tag rugby)



Rugby Academy teaches rugby to junior high school students and girl players



A team of under 14s was picked from the host region to form the Junior Spears team and play an exhibition match.



Rugby tryout events have also been held for children interested in taking up the sport.



A memorial rugby match at Kamaishi Unosumai Stadium in eastern Japan, which also worked to support regional reconstruction efforts.



A Pure Washer unit (industrial air purifier) manufactured and sold by the Kubota Group was presented to the former school of one of the team members.

 Kubota Spears Funabashi TOKYO-BAY Official Website (only in Japanese)
www.kubota-spears.com/

FOCUS


Promoting SDG activities with Edogawa Ward

In October 2021, the Kubota Spears Funabashi TOKYO-BAY rugby union team signed a partnership agreement to promote the SDGs with Tokyo's Edogawa Ward, the location of the team's host stadium. This marked the first-ever time a League One team has signed a partnership agreement with a local government solely for the purpose of promoting the SDGs.



[SDG activities implemented with Edogawa Ward]

- March 6, 2021 : Clothes recycling at a regular-season game
- March 23, 2021 : Donation of food supplies to a children's cafeteria in Edogawa Ward
- July 9, 2021 : Donation of food supplies to a disability care facility
- November 7, 2021 : Cleanup of washed-up rubbish on the east beach of Kasai Marine Park

 Rugby team Kubota Spears Funabashi TOKYO-BAY Official Website (only in Japanese)
www.kubota-spears.com/




Promoting Sports and Contributing to the Community through the Kubota Spears Volleyball Team

Kubota's volleyball team, the Kubota Spears, was promoted to the V.League in 2019 and competed in division 3 in the 2020–2021 season. For that reason, the team's name was aligned with the Spears rugby team. The Spears moved into division 2 to face even tougher opponents in the 2021–2022 season, which kicked off in November 2021.

Volleyball is a universal sport enjoyed by all generations and by participating in the V.League, the Spears are deepening relationships with people in the community through such events as regular games and volleyball clinics.

To get the ball rolling, a partnership agreement with Osaka City, where the team is based, was concluded for the purpose of contributing to the development of the local community. Since signing the agreement in June 2020, we have endeavored to enhance all of the activities undertaken in various fields, including sports promotion, education, and public relations. The team is also actively promoting regional partnerships and related activities.



 Volleyball team Kubota Spears' Official Website (only in Japanese)
www.kubota-spears.com/volleyball/

Disaster Recovery

Donation of Kubota Products to Tornado Victims to Assist Recovery Work (US)

To aid the victims of a tornado that swept through Kentucky, in December 2021, Kubota Tractor Corporation donated Kubota products to local dealers in the afflicted areas.



Donation of Food to Earthquake Victims (Indonesia)

To provide assistance to earthquake victims, in January 2021, P.T. Kubota Indonesia donated food to 20 afflicted households in the regency of Majene in West Sulawesi Province on the west side of Sulawesi Island in central Indonesia.



Support for Growth after the Disaster through Sustainable Agriculture —Supporting Student Learning at Agricultural High School (Japan)

To assist the recovery from the Great East Japan Earthquake, Kubota supports the younger generation underpinning the future of agriculture in Japan. Again in 2021, Kubota provided practical rice growing training with its iron-coated seed technology* at Miyagi Agricultural High School. By teaching students how to operate farm machinery equipped with the latest technology and providing them with information about digital farm management tools, Kubota aims to contribute to the development of human resources capable of engaging in sustainable agriculture.

* Iron-coated seed technology: As opposed to the conventional method of growing rice from seedlings, this cultivation technology involves directly planting rice seeds coated with iron powder in the field.



Donation and Distribution of Survival Kits to Flood Victims (Thailand)

To provide support to flood victims, from October through December 2021, Siam Kubota Leasing Co., Ltd. donated and distributed survival kits to afflicted people in five provinces.



Response to Asbestos Issues

Kubota takes very seriously the fact that some residents living in proximity of the former Kanzaki Plant and employees working at the plant have developed asbestos-related diseases. From the perspective of fulfilling our social responsibility as a company that previously handled asbestos, we will continue to address this issue with the utmost sincerity.

Regarding the residents living nearby, without particular regard for individual cause-and-effect relationships, from the standpoint of our social responsibility as a company that previously handled asbestos, Kubota established the Regulations for Payment of Relief Funds to Sufferers of Asbestos-related Diseases and their Families Living in Proximity of the Former Kanzaki Plant. This is in addition to the Act on Asbestos Health Damage Relief, which was enacted by the Japanese government and provides relief funds in order to alleviate, even marginally, the hardships and mental burden of the people receiving treatment and their families.



For more information (only in Japanese)
www.kubota.co.jp/related/