

Third-Party Comments



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Integration of overall approach and specific activities

Quality and quantity of activities provided by Kubota against social and environmental issues have been recognized as these of the highest public esteem among Japanese companies. Based on that solid footing, the Kubota Group formulated “GMB2030,” as its Long-Term Vision, last year and is currently promoting “K-ESG” as its own brand of unique ESG management measures. The overarching theme of “K-ESG” shall be the integration between the vision for group-wide ESG management measures and specific activities provided up to today. In this sense, and from a group-wide perspective, I believe it is reputable for Kubota to identify 12 items of materiality across 4 different categories and it shall be a significant step forward.

From materiality within the company to one in a society

Many companies analyze issues of materiality, but the majority of them is actually limited so far as to look at the items that affect the company itself. However, the original meaning of materiality as a basis for corporate social responsibility pertains to issues in society. Issues are thought as a serious problem to a company, because those are thought as a serious problem to a society, which is why this order must not be reversed. Accordingly, the challenge going forward for Kubota will be to specify KPIs for each of its 12 items of materiality, but when it does, it will also need to assess how those items impact society.

Social and environmental activities, with a challenging mind and strong ties to communities

Kubota has a long history of undertaking social and environmental activities and always sets itself challenging goals. Not only that, but it also develops roadmaps in an effort to pursue effective measures. By reviewing its unique Environmental Vision, on the areas of food, water, and the environment, Kubota’s proposals, especially for smart agriculture and urban farming solution, which are its effort in innovation of reducing not only its own CO₂ emissions, but also emissions in the broader community, are generating considerable expectations. And, through its relationships with local communities, Kubota, which emphasizes “solutions to social issues in each community,” also undertakes social contribution activities on a global scale. I commend the activities that are having a significantly positive impact in the “agricultural sector,” where Kubota is focusing its energy on nurturing, training, and supporting the next generation of farmers in Japan and worldwide and their endeavors to build a future for everybody.

Enhanced disclosure of governance information

In complying with Japan’s Corporate Governance Code, Kubota has improved disclosure in a highly open and transparent manner in this report. To be more specific, the Company has sufficiently disclosed information about initiatives aimed at enhancing the independence and diversity of its board of directors, changes to its new compensation system, and initiatives for enhancing the effectiveness of the board. However, because the disclosure of information about governance has a tendency to become perfunctory information, going forward I would like to see Kubota’s directors take a close look at environmental and social issues and demonstrate their leadership by disclosing qualitative information.

In Response to the Third-party Comments

I would express our deep gratitude for Professor Kokubu’s valued opinions again this year.

Since the time of its founding, the Kubota Group has continued to provide society with useful products and services that help solve social issues. In fiscal 2021, the first year of our Long-Term Vision “GMB2030” and our “Mid-Term Business Plan 2025,” we posted record-high sales and profit despite the impacts of the COVID-19 pandemic and a multitude of other external factors. Not only do we recognize once again that we are carrying on an “essential business” to the community, but it is very encouraging to know that Professor Kokubu views the activities we implemented in the past year in a favorable light.

Meanwhile, as pointed out by Professor Kokubu, we will continue to address the overarching theme of fusing together the Kubota Group’s unique “K-ESG management” policies with every specific activity carried out since the Company’s establishment in the areas of food, water, and the environment. We are cognizant of the fact that progress on this very issue is key to the realization of our Long-Term Vision.

As part of that initiative in fiscal 2021, we broke down the following 4 areas and identified 12 key items of materiality in our K-ESG management: (1) solving environmental and social issues through business; (2) accelerating innovation to solve problems; (3) stakeholder empathy and participation; and (4) building governance to enhance sustainability. This fiscal year we intend to establish and assess KPIs for each item of materiality and engage in dialogue with Professor Kokubu and many other stakeholders with the aim of reviewing and evaluating our KPIs from the perspective of the impacts our business operations have on society.

As a corporation befitting of an “essentials innovator for supporting life” as called for in the Kubota Group’s “GMB2030” Long-Term Vision, we are intent on building a sustainable governance structure and solving issues in society by providing total solutions. We will devote ourselves to this purpose with an “on-your-side” approach so that we may earn the favorable consent and cooperation of all our stakeholders.



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