Food, water and the environment... We think about these issues to support people, and always will.

The KUBOTA Group provides products, technologies and services in the fields of food, water and the environment, which are essential for human existence. Contributing to sufficient and affluent food supplies, safe and reliable water and creation of a comfortable living environment, we will keep supporting the future of the earth and human beings.

For Earth, For Life

Gonshiro Kubota, the founder of KUBOTA, set about the development of iron pipes to protect people from infectious diseases.

In 1900, the history of KUBOTA started with his success in Japan’s first mass production of water pipes. The founder’s enthusiastic and tireless work for manufacturing made it possible. At KUBOTA, we will always be committed to the very basic principles of manufacturing and inherit the corporate Spirit of KUBOTA to contribute to society through the promotion of business activities.

Corporation’s Spirit

For Earth, For Life

In the modern era, the world faces many problems in the fields of food, water and the environment, which are essential for human beings. This slogan represents our determination that all of KUBOTA Corporation and its affiliates, both in Japan and abroad, as well as their employees will unite and work together to reach the same goal.

Earth... We protect the environment of this beautiful earth.

Life...... We support a prosperous life for human beings always.

Corporate Mission Statement

- Work for the development of society by drawing on all our capabilities and know-how to offer superior products and technologies
- Build today and open the way to tomorrow, with the aim of bringing prosperity to the Company and happiness to employees
- Challenge the unknown with creativity and courage

Management Principles

The KUBOTA Group contributes to the development of society and the preservation of the earth’s environment through its products, technologies, and services that provide the foundation for society and for affluent lifestyles.

Charter for Action

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

http://www.kubota-global.net/c-data/philosophy.html
The global environment is now burdened with many significant problems caused by rapid economic development, such as global warming, climate change and an increase in large-scale natural disasters. The challenges are crucial for us because they are related to the supply and conservation of “food, water and the environment,” which are essential for human beings.

The KUBOTA Group considers that it is our global mission to tackle the social problems related to food, water and the environment. Dealing with diverse situations in various parts of the world, we will keep striving to solve these problems through our business activities.

For the Earth and Sustainable Development for Human Beings

What KUBOTA can do

What KUBOTA will do

The global environment is now burdened with many significant problems caused by rapid economic development, such as global warming, climate change and an increase in large-scale natural disasters. The challenges are crucial for us because they are related to the supply and conservation of “food, water and the environment,” which are essential for human beings.

The KUBOTA Group considers that it is our global mission to tackle the social problems related to food, water and the environment. Dealing with diverse situations in various parts of the world, we will keep striving to solve these problems through our business activities.

Three Challenges for KUBOTA

These three elements are mutually related. KUBOTA will contribute to all of them through its products, technologies and services.

Food
- Global food shortage
- Increased production of food through promotion of efficient agricultural activities and revitalization of the agricultural industry

Water
- Global water shortage
- Stabilized supply of safe and reliable water

Environment
- Environmental pollution, climate change
- Conservation of the global environment

These three elements are mutually related. KUBOTA will contribute to all of them through its products, technologies and services.
Food

Demand for a higher level of food production will be a crucial challenge in the world

It is said that about one out of seven people on the earth is now starving because food production and supply cannot keep up with ever-increasing demand as a result of continuous population explosion, especially in emerging countries and developing countries. On the other hand, food production is significantly influenced by environmental factors such as abnormal climate and desertification. Against a backdrop of such food problems in the world, KUBOTA helps produce more food through the proposal of solutions with a focus on the introduction of agricultural machinery that satisfy specific needs of different countries and regions.

What KUBOTA can do to help meet the increasing demand for food

KUBOTA has contributed to mechanization of agriculture in Japan and other countries mainly through the supply of rice farming machinery. We acquired a European dry-field farming implement manufacturer in 2011 with the aim of growing as a company that can also support increased food production in dry fields. KUBOTA’s efforts to contribute to addressing food issues in local communities through its technologies and products are making steady progress toward a new stage.

The world’s population will reach 9 billion in 2050

More and more food is demanded to support the rapidly expanding global population.
Water / Environment

Demand for water is increasing while water pollution is worsening

Human beings can use only 0.01% of the water existing on the earth. On the other hand, demand for water, including domestic water as well as water for agricultural and industrial uses, keeps increasing as a result of rapid population expansion and economic growth. The problem of water pollution caused by domestic and industrial wastewater is becoming increasingly severe in emerging countries, and this calls for urgent actions to secure safe and reliable drinking water. KUBOTA has more than a century of experience in water-related business operations. With our quality materials and equipment for waterworks and sophisticated water treatment technologies, we contribute to the solution of various water problems in many parts of the world.

Continuously protecting the essential lifeline of human beings

In 2011, great floods hit Thailand and caused massive damage. We assisted with the restoration and rehabilitation from the damage in the Southeast Asian country, one of our important production bases, with our original water and environmental technologies. Assistance in the drainage of flood water with our pumps and the provision of our water purification equipment were especially effective support activities. Water is a crucial resource for human beings. Commitment to solving water-related problems leads to development of social infrastructure that is also environmentally friendly. Through its business activities, KUBOTA will make continuous efforts to not only solve water problems but also contribute to the conservation of the environment including the air and land.

Only 0.01% of the water on the earth is our “water of life”

“Our products should not only be technically excellent, but also useful for the good of society.” The founder’s goal was that the business itself contributes to the society. The Spirit of the founder that has been inherited in Japan is now being disseminated around the world.
With the expansion of overseas business, we focus on the establishment of a global management system and thorough implementation of CSR activities. We at KUBOTA will give continued support to solve social, economic and environmental problems in the world with our products, technologies and services that contribute to the development of countries and societies.

Q. How can you summarize the results in FY2012?
A. We saw a return to profitability and ensured high performance.

In FY2012, our revenue exceeded 1 trillion yen for the first time in 3 years since FY2009. Operating income was above the target of 100 billion yen while the operating margin also exceeded 10%. We managed to ensure high performance even in the midst of severe economic conditions because we developed businesses that meet the demands of society, and our stakeholders supported us. However, revenue is still below the peak level and our strength to grow is not yet sufficient. We are keenly aware that it is essential to make steady and self-reliant efforts such as development of new markets, instead of just waiting for the recovery and expansion of existing markets, in order to accelerate our growth.

Q. What was the purpose of the drastic organizational realignment in April 2012?
A. We aimed to accelerate the growth of our business and also to realign our way of thinking.

In the organizational realignment, we eliminated the consolidated division system and realigned the 14 operating divisions into 7 business divisions. The purposes were creation of a flatter organizational structure and facilitation of rapid decision making. The scale of each division was also expanded to make it possible to realize synergies among different fields and use their resources more efficiently.

Moreover, indirect departments in various divisions were reorganized to form six headquarters with the objective of establishing the structure to underpin our operations with enhanced business support and corporate governance functions. This organizational realignment also aimed to reform our way of thinking within the company. In other words, our goal was "Breaking away from our overdependence on successful experience." In the dramatically changing business environment, we should not rely on our success in the past, but make the best choice from a long-term perspective at any time. We will strive to incorporate such an idea into our corporate culture.

Q. While FY2012 was recognized as “year zero” in KUBOTA’s reincarnation as a genuinely global company, what efforts will you make in FY2013?
A. We will promote further expansion of overseas business.

KUBOTA has largely relied on revenue from its overseas business in the last decade. The expansion of overseas business has also offset the impact of the stronger yen and the poor performance of domestic business to support corporate management. The stages for the social contribution activities of KUBOTA are expanding to emerging countries and other parts of the world. We will grow by dramatically expanding our business in the overseas markets.

In the Farm & Industrial Machinery segment, we plan to increase the production of engines in expectation of growing demand, while making efforts to increase our sales in Asia in the Water & Environment segment, which involves pumps and membrane filtration systems. We are putting our efforts into the expansion and improvement of our production facilities abroad especially based on the idea of market orientation, which focuses on local needs and reflects them in products by manufacturing what sells in the local market. In FY2013, we will start to produce diesel engines in Thailand and construction machinery in China. In North America, our production base for compact tractors is under construction. We have launched manufacturing of steel casting products for petrochemical plants in Saudi Arabia to compete against European manufacturers. Although our overseas production ratio is still less than 20%, we will strive to transform ourselves from an export-oriented firm to a genuinely global company with a goal of raising the ratio to 30% at an early stage.

KUBOTA will continue efforts to contribute to social development from a global perspective

Y. Masumoto
Representative Director, Chairman, President & CEO
Q. What is your plan in the development of overseas business?

A. As a comprehensive machinery manufacturer, we will contribute to the increase in food supply on a global scale. In water-related businesses, we will enhance our presence with focus on China and other Asian markets. KUBOTA has marketed agricultural machinery mainly for rice farming such as tractors, rice transplanter and combine harvesters. There are still many areas where rice is eaten as a staple food but where we have not yet introduced our products, including those in Asia, Africa and South America. I believe that our technology to produce lightweight agricultural machinery suitable for rice farming can also contribute to the development of agriculture in such areas.

On the other hand, dry-field farming is the dominant agricultural practice in the world. It will be essential to fully enter the dry-field farming market if KUBOTA wants to contribute to the increase in food supply on a global scale. With the acquisition of Kverneland ASA, a manufacturer of dry-field farming implements in Norway, as a springboard, we will accelerate our growth as a comprehensive manufacturer of agricultural machinery.

We will also exert our product capabilities, technologies and know-how in water-related fields to the full in order to contribute to the countries that will require water-related infrastructure in the future such as China and other Asian countries. KUBOTA is the only company in the world to provide the products and technologies that play active roles in the comprehensive areas ranging from water intake to water discharge, including pumps for water intake from sources, pipes and valves for water delivery and distribution and water purification and sewage treatment technologies. Using the technologies and know-how that have been cultivated in Japan since the early days of modern water supply, we would like to work actively in the development of water-related infrastructure around the world.

Q. Will management functions also be moved overseas?

A. We will upgrade regional management functions, and also attach a high value to what Japan can offer.

In response to globalization, we will upgrade regional management functions to make effective use of management resources on a regional basis and design the measures according to local circumstances. The function to control product-specific divisions in a cross-sectional manner will also be transferred to respective regions. As a first step, we have launched a regional headquarters company in China. One of our tasks for this year is to divide the world into several blocks and establish a business operation system in each of the regions.

On the other hand, when it comes to quality and manufacturing, we must create the products that will be selected by customers not because they are made in Japan but because they are made by KUBOTA. I initially worked in manufacturing departments for many years and have the strong feeling that quality is the essence of manufacturers. Keeping this in mind, we will develop a quality control and manufacturing system in Japan to gain an outstanding reputation for “Made by KUBOTA” and then establish this system in our production bases around the world. I think that our activities in Japan will play a pivotal role.

Q. What efforts will you make in domestic business?

A. We will promote the structural reforms of business and strive to recover and enhance profitability.

In Japan, the business environment for KUBOTA has been harsh for several years with, for example, a decrease in public works projects, a decline in the population of farmers and the aging of society. On the other hand, with the expansion of our overseas business, we have started to shift production and development activities abroad on a full scale.

An important task for us is to consider how we can balance our domestic and overseas business activities, and to this end, how we should restructure each of the businesses.

The domestic business will be drastically revised based on the examination of its future potential. We will complete structural reforms quickly and make efforts to ensure stable medium and long-term earnings, not only from the overseas business but also from the domestic business, and by realocating resources to growing businesses.

Q. In 2011, Japan and other parts of the world suffered from unimaginable disasters. How do you think the business operations should be managed in response to these disasters?

A. I think that we should give first priority to the lives of people and make continuous efforts to solve problems from a global perspective.

The disasters that occurred in various parts of the world, such as the Great East Japan Earthquake and floods in Thailand, caused harm to a large number of people including customers of the KUBOTA Group. I keenly felt that we should give top priority to people’s lives under such circumstances. Plant equipment can be repaired and products can be produced again, but life is precious. We at KUBOTA, a company which is supported by the society, must seriously consider how to save such precious life.

I have also directed employees to always be aware of risk management for business continuity at times of disaster. When great floods occurred in Thailand, we temporarily used our manufacturing plants in Indonesia in place of the flooded plants to ensure the supply of products, and we managed to minimize the impact on our customers.

Q. Lastly, what is a “sustainable company” in your opinion?

A. I think that it maintains high growth potential and soundness, and keeps contributing to society.

Through its corporate activities for more than 120 years, KUBOTA has developed businesses that contribute to society, such as water supply, agriculture and infrastructure construction. While the competitive environment surrounding the businesses is changing dramatically, the fields of food, water and the environment, to which KUBOTA is committed, are always essential for human beings. I think that our activities must be sustainable together with society. It is our aim to remain as a company that has both high growth potential and soundness under any and all circumstances.

Especially for a soundness, we will firmly maintain the policies of “management emphasizing the front-line of business, with focusing on technologies and manufacturing capabilities” and “enhancing CSR management,” which have been upheld since the very start of my presidency.

For example, the issues of “quality” and “safety,” which are foundations for manufacturers, can only be identified at the work sites. I always say that it is no use discussing the events identified without inspecting the work sites, and I direct employees to visit the sites. I want to establish this principle of examining actual sites above anything else.

CSR is indispensable for companies to win the trust of society. I have identified “internal control,” “diversity management” and “environmental conservation” as the core elements of CSR management. Supplying excellent products and technologies alone is not enough to receive recognition for our business style. We will remain committed to thorough internal control to ensure observance of rules. In the utilization of human resources, we will eliminate the gaps between genders, nationalities, races, age groups and the like in order to realize optimized allocation of personnel based on their capabilities. As KUBOTA is involved in remediation of environmental problems through business activities, we are also trying to conserve the environment in our daily operations. Instructions are also issued to purify and recycle wastewater in the construction of factories, which is underway for the expansion of our production bases abroad.

It is currently an urgent task to respond to changes in the environment in a quick and flexible manner and develop a system and organization that can achieve high growth. At the same time, I want KUBOTA to remain as a company that values “basics” such as technology and manufacturing as well as CSR. We will ensure continued efforts to establish a company that can do what we should do naturally.
Corporate Governance

In order to speed up its response to management conditions and achieve enhanced transparency in management, etc., KUBOTA Corporation has adopted the following corporate governance structure.

### Corporate governance structure (as of June 22, 2012)

#### Board of Directors

The Board of Directors makes strategic decisions and oversees the execution of duties by Directors and Executive Officers. It is made up of eight Directors (two of whom are Outside Directors). In addition to its regular monthly board meetings, it also meets as and when required, to discuss and make decisions regarding management planning, financial planning, investment, business restructuring and other important management issues.

#### Executive Officers’ Meeting

The Purpose does not disclose the deliberations at the meeting, but the results and measures are reported to the Board of Directors every fiscal year. In this way, the Group carries out a risk management PDCA cycle.

Risk management is thus incorporated into daily work to ensure legal compliance and also to improve (standardize) the operations.

#### Board of Corporate Auditors

KUBOTA Corporation is a company with auditors. The Board of Corporate Auditors consists of five Corporate Auditors (of whom three are outside auditors). In addition to its regular board meetings held on a quarterly or more frequent basis, it also meets as and when required, to discuss and make decisions regarding auditing policy, audit reports and other matters.

#### Management Committee and Investment Council

The Management Committee meets to deliberate important management matters such as investments and loans, and mid-term management plans before they are discussed by the Board of Directors. Two of the full-time corporate auditors participate in the committee as observers. The Management Committee gives the President advice on matters to be decided by the President, except those deliberated by the Management Committee, as well as on special matters. The council does not include the President, and one of the full-time corporate auditors participates in it as an observer.

### Internal Control System of the KUBOTA Group

The KUBOTA Group’s internal control system consists of “business management” (running the business on the basis of rules) and “risk management” (managing the principal risks involved in management).

For risk management, based on the risk management rules, the departments in charge carry out information distribution, education and training, auditing, follow-ups, etc. for the operational divisions. The results and measures are reported to the Board of Directors every fiscal year. In this way, the Group carries out a risk management PDCA cycle.

Risk management is thus incorporated into daily work to ensure legal compliance and also to improve (standardize) the operations.

#### Internal control over financial reporting

<table>
<thead>
<tr>
<th>Risk management item</th>
<th>Department in charge</th>
<th>Risk to be avoided</th>
<th>Number of audited items</th>
<th>No. of audited items (total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial reporting</td>
<td>Finance &amp; Accounting Dept</td>
<td>Risk on reliability in financial reporting</td>
<td>4,561</td>
<td>3,200</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>Environmental Protection Dept</td>
<td>Risk of violations of the drivers’ hours rules, and accidents caused by such violation</td>
<td>72</td>
<td>102</td>
</tr>
<tr>
<td>Health and safety</td>
<td>Health &amp; Safety Promotion Dept</td>
<td>Risk related to breaches of the Personal Information Protection Law</td>
<td>247</td>
<td>577</td>
</tr>
<tr>
<td>Quality control</td>
<td>Quality Assurance Promotion Dept</td>
<td>Risk of improper handling at time of accident</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>Labor management</td>
<td>Human Resources Dept</td>
<td>Risk related to breaches of the Personal Information Protection Law</td>
<td>940</td>
<td>715</td>
</tr>
<tr>
<td>Information security</td>
<td>Global IT Management Dept</td>
<td>Risk of computer virus infection</td>
<td>376</td>
<td>103</td>
</tr>
<tr>
<td>Intellectual property</td>
<td>Research &amp; Development Management Dept</td>
<td>Risk of infringing intellectual property of other companies</td>
<td>376</td>
<td>103</td>
</tr>
<tr>
<td>Compliance with environment-related statutes</td>
<td>Manufacturing Promotion Dept</td>
<td>Risk of violations of law related to equipment-related statutes</td>
<td>432</td>
<td>57</td>
</tr>
<tr>
<td>Compliance with the Construction Business Law</td>
<td>General Affairs Dept</td>
<td>Risk of violation of the Construction Business Law</td>
<td>72</td>
<td>102</td>
</tr>
<tr>
<td>Human rights protection</td>
<td>Human Rights Promotion Dept</td>
<td>Risk of violation of the Personal Information Protection Law</td>
<td>116</td>
<td>223</td>
</tr>
<tr>
<td>Safety operation control</td>
<td>General Affairs Dept</td>
<td>Risk of illegal use of personal information</td>
<td>56</td>
<td>86</td>
</tr>
<tr>
<td>Prevention of illegal purchases</td>
<td>CSR Promotion Dept</td>
<td>Risk of violation of the Personal Information Protection Law</td>
<td>685</td>
<td>77</td>
</tr>
<tr>
<td>Confidential information management</td>
<td>CSR Promotion Dept</td>
<td>Risk of improper use of personal information</td>
<td>1,037</td>
<td>412</td>
</tr>
<tr>
<td>Personal information protection</td>
<td>Legal Dept</td>
<td>Risk of illegal use of personal information</td>
<td>319</td>
<td>116</td>
</tr>
<tr>
<td>Import and export control</td>
<td>Legal Dept</td>
<td>Risk of violation of the Foreign Trade Control Law</td>
<td>917</td>
<td>304</td>
</tr>
<tr>
<td>Compliance with import-related laws</td>
<td>Manufacturing Promotion Dept</td>
<td>Risk of violation of the Foreign Trade Control Law</td>
<td>159</td>
<td>43</td>
</tr>
</tbody>
</table>

**Notes:**
- The number of audited items (total) is the sum of the number of items audited in each of the targeted divisions in FY2012.
- The number of audited items (total) is the sum of the number of items audited in each of the targeted divisions.
- The results and measures are reported to the Board of Directors every fiscal year.

*See the following website for Policies for Protection of Personal Information: http://www.kubota-global.net/privacy.html*
Operation of the Internal Control System

Summary of Results in FY2012, Priority Issues for FY2013 and Medium-Term Targets

<table>
<thead>
<tr>
<th>Main focus of activity</th>
<th>Plan</th>
<th>Do</th>
<th>Check</th>
<th>Action</th>
<th>Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fair Trade</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Firmly establishing a system of prior consultations in order to prevent illegal payments</td>
<td>Consulted with lawyers on competition laws in overseas and domestic businesses</td>
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<td></td>
<td></td>
<td>for senior management as well as managers and other employees</td>
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<tr>
<td></td>
<td></td>
<td>(Provided 10 sessions in KUBOTA Corporation and 7 sessions in charge of overseas businesses.</td>
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<tr>
<td></td>
<td></td>
<td>for senior management as well as managers and other employees</td>
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<td></td>
<td></td>
<td>Operating an internal control system to ensure due diligence</td>
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<td></td>
<td></td>
<td>Training on the operation of the internal control system</td>
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<tr>
<td></td>
<td></td>
<td>(KUBOTA Group and Kawasaki Machinery Trading Co., Ltd.)</td>
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<td></td>
<td></td>
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<tr>
<td><strong>Prevention of illegal payments</strong></td>
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<tr>
<td></td>
<td>Providing relevant information to employees on the risk of paying bribes to foreign officials</td>
<td>Provided general employees with training sessions on the risk of paying bribes to foreign officials</td>
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<td></td>
<td></td>
<td>for senior management as well as managers and other employees</td>
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<td></td>
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<td>(Provided 10 sessions in KUBOTA Corporation and 7 sessions in charge of overseas businesses.</td>
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<tr>
<td><strong>Import/Export Control</strong></td>
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<tr>
<td></td>
<td>Completing the establishment of the export control system in overseas affiliates and its domestic affiliates</td>
<td>Concluded audits and provided education on compliance with the regulations on import/export control</td>
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<td></td>
<td></td>
<td>in overseas affiliates</td>
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<td></td>
<td></td>
<td>(Machinery Trading Co., Ltd.)</td>
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<tr>
<td><strong>Compliance with the Construction Business Law</strong></td>
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<td></td>
<td>Maintaining and strengthening the construction business law management system in overseas affiliates</td>
<td>Provided support in formulating regulations on the management of the construction business law in KUBOTA Corporation and its domestic affiliates</td>
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<tr>
<td></td>
<td></td>
<td>for two targeted affiliates, mainly in Asia</td>
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<td></td>
<td></td>
<td>(ongoing in FY2013)</td>
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<tr>
<td><strong>Control of Intellectual Property</strong></td>
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<tr>
<td></td>
<td>Preventing the introduction of standard software-related products and services in overseas affiliates</td>
<td>Providing two overseas affiliates with guidance on the operation of Regulations on Managing Development of Intellectual Property (IP) Rights</td>
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<tr>
<td></td>
<td></td>
<td>for two targeted overseas affiliates, which then started implementing the guidance</td>
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<tr>
<td></td>
<td></td>
<td>(KUBOTA Group and Kawasaki Machinery Trading Co., Ltd.)</td>
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</tbody>
</table>

Fair trade

Reflecting on its past violations of the Antimonopoly Act, the KUBOTA Group has adopted an uncompromising policy to break off relations with antisocial forces such as sokaikai racketeers and gangster organizations and to refuse to entertain any of their illegitimate demands. Audits are conducted to ensure the establishment of mechanisms to prevent illegal payments. The Donations Auditing Committee reaffirms that there are no inappropriate dealings or payments at the annual meetings. In particular, responding to the enforcement of the Organized Crime Exclusion Ordinance in Japan, it has made the ordinance known to its employees. It has also provided its construction, sales and materials divisions with briefing sessions on specific issues to be noted and measures to be taken to prevent illegal payments.

Prevention of illegal payments

The KUBOTA Group has adopted an uncompromising policy to prevent illegal payments.

Information management

To ensure the safe use of information as a corporate resource, the KUBOTA Group takes ongoing measures to prevent information leaks and virus infections. It particularly focuses on strengthening measures to maintain and manage its systems in preparation for system breakdowns due to disasters, and on establishing rules on the use of new information devices such as smartphones for improved use of information.

Internal reporting system (the KUBOTA Hotline)

As a mechanism to support its risk control activities, the KUBOTA Group operates an internal reporting system, which also places concern on lawyers outside the company as consultants. This system aims to prevent or quickly detect and correct any illegal and unethical acts, as well as to develop an open corporate culture.
Results of operations for the year ended March 31, 2012

For the year ended March 31, 2012, revenues of the KUBOTA Group increased 74.3 billion yen (8.0%) from the prior year, to 1,008.0 billion yen. In the domestic market, revenues increased 20.8 billion yen (4.3%) from the prior year, to 498.7 billion yen due to increased revenues in all reporting segments. Domestic revenues in Farm & Industrial Machinery increased due to favorable sales of construction machinery and other products, and revenues in Water & Environment Systems increased due to steady sales of products related to public works. Revenues in Social Infrastructure and Other also rose, thus resulting in an overall increase in domestic revenues. In overseas markets, revenues increased 53.6 billion yen (11.8%) from the prior year, to 509.3 billion yen. Revenues in Farm & Industrial Machinery posted a major increase due to steady demand in North America and Europe, and revenues in Water & Environment Systems also increased. However, revenues in Water & Environment Systems decreased. The ratio of overseas revenues to consolidated revenues was 50.5%, 1.7 percentage points higher than in the prior year. Operating income increased 19.6 billion yen (22.7%) from the prior year, to 105.7 billion yen, due to an increase in overseas revenues in Farm & Industrial Machinery, company-wide cost reductions and gain on sales of land. Income before income taxes and equity in net income of affiliated companies was 1,008.0 billion yen, 9.6 billion yen (9.6%), to 1,059.7 billion yen. After deducting 4.5 billion yen of net income attributable to noncontrolling interests, net income attributable to KUBOTA Corporation was 61.6 billion yen, 6.7 billion yen (11.8%) higher than in the prior year, because of decreases in gain on sales of securities-net and gain on nonmonetary exchange of securities, which partly offset an increase in operating income. Income taxes were 36.5 billion yen, and equity in net income of affiliated companies was 1.6 billion yen. Accordingly, net income increased 4.9 billion yen (8.0%), to 66.0 billion yen. After deducting 4.5 billion yen of net income attributable to noncontrolling interests, net income attributable to KUBOTA Corporation was 61.6 billion yen, 6.7 billion yen (12.3%) higher than in the prior year.

- Revenues by reporting segment (percentage of total)
  - Social Infrastructure: 64.8 billion yen (6.4%)
  - Water & Environment Systems: 198.5 billion yen (19.7%)
  - Farm & Industrial Machinery: 713.9 billion yen (70.8%)
  - Other: 30.8 billion yen (3.1%)

- Revenues by region (percentage of total)
  - Asia outside Japan: 169.8 billion yen (16.8%)
  - Europe: 88.7 billion yen (8.8%)
  - North America: 219.9 billion yen (21.8%)
  - FY ended March 31, 2012: 1,008.0 billion yen

- Operating income

- Net income attributable to KUBOTA Corp.
Results by Reporting Segment

Farm & Industrial Machinery

Farm & Industrial Machinery comprises farm equipment, engines and construction machinery. Revenues in this segment increased 9.6% from the prior year, to 713.9 billion yen and accounted for 70.8% of consolidated revenues. Domestic revenues increased 4.0%, to 235.4 billion yen. Domestic sales of farm equipment were at almost the same level as in the prior year. Sales of farm equipment decreased in the area affected by the Great East Japan Earthquake, while they increased in other areas. On the other hand, sales of construction machinery substantially increased due to the market recovery. Sales of engines also increased steadily. Overseas revenues increased 12.6%, to 478.5 billion yen. In North America, sales of tractors increased due to a gain in market share of KUBOTA, and sales of construction machinery significantly increased owing to market recovery and the effect of launching new products. Sales of engines also increased steadily supported by firm demand. In Europe, sales of construction machinery and engines increased substantially due to an expansion of demand, while sales of tractors were at approximately the same level as the prior year. In Asia outside Japan, sales of farm equipment showed only slight increases, mainly due to the floods in Thailand.

Social Infrastructure

Social Infrastructure comprises industrial castings, spiral welded steel pipes, vending machines, electronic equipped machinery and air-conditioning equipment. Revenues in this segment increased 7.2%, from the prior year, to 64.8 billion yen and accounted for 6.4% of consolidated revenues. Domestic revenues increased 8.6%, to 48.1 billion yen. Although sales of spiral welded steel pipes, electronic equipped machinery and air-conditioning equipment increased, sales of industrial castings and vending machines decreased from the prior year. Overseas revenues increased 3.4%, to 16.7 billion yen, mainly owing to increased sales of industrial castings.

Water & Environment Systems

Water & Environment Systems comprises pipe-related products (ductile iron pipes, plastic pipes, valves and other products) and environment-related products (environmental plants, pumps and other products). Revenues in this segment increased 3.0%, to 198.5 billion yen from the prior year, and accounted for 19.7% of consolidated revenues. Domestic revenues increased 3.3%, to 184.6 billion yen. Sales of environment-related products such as water and sewage treatment equipment increased. Sales of pipe-related products were at almost the same level as the prior year. Overseas revenues decreased 1.4%, to 13.9 billion yen.

Other

Other comprises construction, services and other business. Revenues in this segment increased 6.3%, to 30.8 billion yen from the prior year, and accounted for 3.1% of consolidated revenues. Sales of other business increased, while sales of construction decreased.

Business Development

Expansion of overseas business

The expansion of overseas business is indispensable for KUBOTA’s development. For further expansion, it needs to promote globalization, not just in sales, but also in production, R&D, business management systems and all other aspects of its business. KUBOTA recognized FY2012 as the “year zero” for its reincarnation as a genuinely global company, and made various efforts to accomplish that goal. Some of the specific activities are described below.

Accelerating expansion of overseas production

Production base for engines established in Thailand

Preparation for the establishment of a Thai plant aimed at producing vertical type diesel engines, which was announced in February 2011, is well underway to launch mass production in October 2012. The plant is KUBOTA’s first overseas production base for vertical type diesel engines. The completion of the plant will establish an integrated production system for engines, from the production of casting components to their processing and assembly in Thailand. By supplying engines for the tractors and combine harvesters produced in Thailand, KUBOTA aims to raise the local content ratio, avoid the risk of exchange rate fluctuations associated with exports from Japan and strengthen cost competitiveness. The plant will also serve as a supply base for low-cost engines with the aim of expanding its business in emerging countries as well as in Japan, the US and Europe. KUBOTA plans to raise the production level to a maximum capacity of over 120,000 units per year by 2015 to 2016. The plant will help it meet the demand for industrial diesel engines, which is expected to increase sharply in the future.

Expansion of the small-sized construction machinery business in China

As the top manufacturer of mini backhoes, KUBOTA is working to increase its presence in China through the expansion of local production and sales bases. For the construction machinery business in China, it established a sales company in Shanghai in 2003 and started assembly of locally-procured parts in 2009. A new production base has been recently constructed in Wuai, China, which is scheduled to launch full-scale production activities in August 2012. The new plant aims to (1) enhance cost competitiveness, (2) avoid the risk of exchange rate fluctuations and (3) increase supply capacity to meet the expanding demand, in order to facilitate further expansion of KUBOTA’s business in China. KUBOTA also expects that the new company will serve as a production base for exports to emerging countries in Asia in the future. KUBOTA’s target is production of approximately 14,000 units in the plant in 2018. KUBOTA also plans to start a retail financing business in China for further business expansion.
New production plant for tractors to be established in the U.S.

In November 2011, KUBOTA decided to establish a new production plant in the U.S. that can build tractors of the 40 hp class. It is scheduled for mass production to commence in January 2013 with a planned production capacity of 20,000 units per year. The North American market is the largest sales area for KUBOTA’s tractor business. Since the establishment of its first overseas company to sell tractors in the United States in 1972, KUBOTA has worked to expand business in the market and now have two local plants. On the other hand, increasing competition with manufacturers in emerging countries is anticipated in the North American market in the future, and it has been an urgent task to take countermeasures. The establishment of this plant will mitigate the negative impact of the strong yen, and also allow it to gain cost advantages through the optimization of global procurement, as the new manufacturing plant will source key components not only from Japan but also from the production bases in Thailand and other countries. With this plant, KUBOTA will endeavor to further expand its business in the U.S.

Plant in Saudi Arabia has started producing reformer tubes for the petrochemical industry

KUBOTA launched full-scale operation of a Saudi Arabian plant to produce reformer tubes for the local petrochemical industry in 2011. The plant is receiving inquiries and orders one after another from not only Saudi Arabia, but also other Arabian countries as well as Europe and North Africa. Saudi Arabia has a major ethylene company expanding its operations worldwide. In addition to cost competitiveness, quicker delivery and better services are keys to obtaining orders from the company. Taking advantage of local production, KUBOTA will compete against rival manufacturers in Europe to increase its share in the country.

Establishment of global management structure

Globalization of business management and establishment of regional headquarters in China

KUBOTA recognizes that, for promoting the globalization of its business activities, it is an important challenge to plan and execute strategies in consideration of local conditions. In the future, KUBOTA will work to establish regional business operating systems that will make it easy to achieve the effective use of resources at the regional level, and to plan and implement management measures and policies that are suited to local conditions. As an initial effort, KUBOTA established Kubota China Holdings Co., Ltd. (KCH) in 2011, which controls the management of its businesses in China. Capital reorganization is currently underway to control the six existing companies in China as subsidiaries of KCH. While supporting the Chinese subsidiaries in their business development, KCH is now conducting comprehensive marketing activities that cover all of China with the aim of creating a new market in the country by drawing on all the capabilities of the KUBOTA Group. Some of its new businesses are being developed with full support from KCH. KUBOTA will also promote sharing of the same company rules and integration of recruitment and training activities across the Group in order to streamline the operations of its affiliates. As part of the initiative, the previously scattered offices of three subsidiaries have been moved to the same site where the KCH office is located.

KUBOTA will make continuous efforts to establish a structure in which it can demonstrate the full capabilities such as planning of a comprehensive growth strategy with a focus on information collection and marketing functions, as well as strengthening of its capacity to execute the strategy for expansion of its business in China.

Development of new markets and businesses

KUBOTA is working to penetrate into new markets and develop new businesses with growth potential in the fields of food, water and the environment.

Acquisition of a Norway-based tractor implement manufacturer

In December 2011, KUBOTA announced the acquisition of Kverneland ASA, a manufacturer of tractor implements in Norway, which then became KUBOTA’s subsidiary in March 2012. Kverneland ASA has well-established brands in European regions, technological competence and a wide range of implement products. Taking advantage of this acquisition, as well as its own technologies developed in Japan, KUBOTA will introduce more large-scale machinery and dry-field farming machinery into its lineup and actively advance into dry-field farming markets, which will play major roles in increasing food supplies in the future.

Locally incorporated company in the Philippines became a subsidiary

In August 2011, KUBOTA raised its investment ratio in a locally incorporated company in the Philippines from 15% to 85% to make it a subsidiary and changed the company’s name to Kubota Philippines, Inc. Although the Philippines is the eighth largest rice producer in the world, the country, in which rice has been produced mainly by hand, is also the world’s largest rice importer. KUBOTA will build a total agricultural machinery business, including not only horizontal diesel engine driven power tillers sold by the locally incorporated company, but also combine harvesters, tractors and rice transplanters, thereby contributing to agricultural mechanization in the Philippines.

Developing the agricultural solution business in Japan

Japanese farmers are continuously facing severe business conditions, such as drops in rice prices and rises in the price of agricultural materials and fuel oil, as well as an aging workforce and shrinking farming households. KUBOTA has contributed to the mechanization and sophistication of agriculture through sales of agricultural machinery. Now, KUBOTA will look at the future of agricultural management in Japan, and make more efforts to develop the agricultural solution business, which aims to contribute to the improvement of agricultural business and management, in addition to sales of machinery. The activities to which KUBOTA is currently committed include introduction of direct sowing of iron-coated seeds, as well as development of machinery dedicated to the method. This helps farmers to expand the scale of their operations while saving labor and other costs. In 2011, KUBOTA proposed this direct sowing method to the farmers affected by the Great East Japan Earthquake in the Tohoku Region in order to help them maintain farming activities with the method, which can shorten the seedling cultivation process. Meanwhile, KUBOTA will continue to develop products responding to polarization in the operation scale of farmers. For large-scale farmers, new models have been added to the “World Series” line, which offers high basic performance and durability and is distributed across Asia with common designs. The products will assist the farmers in reducing the cost of expansion of their operations while saving labor and other costs. Moreover, KUBOTA has developed mini tillers powered by gas cartridges to the series for kitchen gardens in an effort to broaden the uses of agricultural machinery. As a next step, KUBOTA will make efforts to expand peripheral businesses including those which are usually not entered by manufacturers.

Order received for water supply works in Bangladesh and Cambodia

Kubota Construction co., Ltd., which operates the construction business, received orders for water supply works in Bangladesh and Cambodia in 2011. In Bangladesh, the laying of pipelines for water supply is underway in Chittagong, the second largest city in the country, and this will contribute to improvement of the living environment and health level of its citizens. In Cambodia, KUBOTA has engaged in construction of water supply facilities for many years since constructing the water supply works in Phnom Penh in 1959. The order received in 2011 was for repair and modification work on the water supply pipelines in the provincial capitals in the rural areas of Cambodia. This work will raise the coverage of the water supply in provincial capitals in the rural areas of the country, which is only about 30% at present, and this will contribute to improvement of the living environment for the people.
## Summary of Social Activities - Together with Society

The KUBOTA Group is promoting activities that satisfy the needs of various stakeholders and enhance its corporate value through implementing the PDCA cycle for each subject.

### Summary of the Fiscal 2012 Social Report, Priority Issues for Fiscal 2013 and Medium-Term Targets

#### Main Focus of activity

- **Quality and Service to Improve Customer Satisfaction**
  - Improving capacity to respond to inquiries by phone, e-mail, etc.
  - Expanding the range of user questionnaire content
  - Breaking a checklist for audit purposes based on the quality assurance system and conducting on-the-spot audits
  - Ongoing provision of education in the fields of quality control and product safety

- **Social Report**
  - Released information on the effects of the earthquake disaster, impact of the floods in Thailand and support of a timely manner at results briefings, etc.
  - Actively responding to inquiries and sent information to investors
  - Provided information in an understandable manner through the exhibition of major products, the use of large screens, reports, etc.

- **Resources by the**
  - Promoting RI activities taking account of the effects of the earthquake disaster, etc.
  - Promotion of RI activities reflecting business trends and changes in the business environment
  - Further improvements in general meetings of shareholders

- **Timely and Appropriate Release of Information**
  - Strengthening global PR (transmission overseas)
  - Expanding the range of user questionnaire content in the languages of the main business regions
  - Produced websites in five countries of China, the United States, Thailand, Canada and Vietnam
  - Launched a corporate advertising campaign using SNS

- **As a Partner to Grow Together**
  - Encouraging implementation of the objective of CSR Guidelines on the part of KUBOTA’s suppliers (application to KUBOTA Group suppliers in Japan)
  - Encouraged KUBOTA’s suppliers to implement the objective of CSR Guidelines (applied the guidelines to suppliers of the KUBOTA Group in Japan)
  - Preparing for application to overseas suppliers (conducting surveys on actual conditions for the application)
  - Encouraging practical application of the objective of CSR Guidelines among suppliers associated with each company in the KUBOTA Group and spreading CSR procurement

- **Respecting Human Rights and Promoting Diversity**
  - Strengthening the human rights education and consultation system
  - Encouraging overseas affiliates to comply with human rights-related laws and to develop the consultation system
  - Prevention of harassment, and maintenance and improvement of the capacity to resolve harassment in the KUBOTA Group in Japan
  - Examining how to provide human rights education based on the results of a survey of the human rights situation in overseas affiliates

- **Strengthening the capacity to respond to inquiries**
  - Strengthening the education and consultation system in domestic affiliates including sales companies
  - Encouraged overseas affiliates to comply with human rights-related laws and to develop the consultation system
  - Examinations to develop the consultation system in domestic affiliates
  - Building a system for gathering information from the KUBOTA Group including overseas regions

- **Maximizing Human Resources by the**
  - Strengthening efforts to develop global human resources and localization and training of human resources to “construct an energetic corporate climate that welcomes challenge and values creativity”
  - Strengthening efforts to develop global human resources and localization and training of human resources to “construct an energetic corporate climate that welcomes challenge and values creativity”
  - Strengthening the human rights education and consultation system
  - Encouraging overseas affiliates to comply with human rights-related laws and to develop the consultation system

- **Creating a Physically and Mentally Healthy Work Environment**
  - Strengthening medical and health measures among labor and management
  - Strengthening medical and health measures among labor and management
  - Strengthening medical and health measures among labor and management

- **Creating a Safe Workplace for All Employees**
  - Promoting basic safety by means of ongoing measures
  - Promoting basic safety by means of ongoing measures
  - Promoting basic safety by means of ongoing measures

- **Contributing to International and Local Societies**
  - Contributing to the implementation of “KUBOTA’s Mental Health Promotion Action Plan” in addition to information sharing and consultation in labor-management committees
  - Contributing to the implementation of “KUBOTA’s Mental Health Promotion Action Plan” in addition to information sharing and consultation in labor-management committees
  - Contributing to the implementation of “KUBOTA’s Mental Health Promotion Action Plan” in addition to information sharing and consultation in labor-management committees

#### Plan

- **Do**
  - Activities FY2012 (From April 2011 to March 2012)
  - Activities FY2012 (From April 2011 to March 2012)
  - Activities FY2012 (From April 2011 to March 2012)

- **Check**
  - Self-evaluation
  - Self-evaluation
  - Self-evaluation

- **Action**
  - Priority issues for FY2013 (From April 2012 to March 2013)
  - Priority issues for FY2013 (From April 2012 to March 2013)
  - Priority issues for FY2013 (From April 2012 to March 2013)

- **Plan**
  - Medium-term Targets
  - Medium-term Targets
  - Medium-term Targets

#### Note

- Target exceeded
- Target reached
- Portion of target not reached
- Target not reached

### KUBOTA’s response to the asbestos issue

KUBOTA recognizes sincerely that asbestos-related diseases have occurred among local residents and employees in the vicinity of the former Kanzaki Plant. From the standpoint of fulfilling its social responsibility as a company that handed asbestos in the past, KUBOTA needs to continue tackling this problem with sincerity in the future.

### As of March 31, 2012 relief payments had been made to 232 individuals pursuant to the internal policy of the “Relief Payment System for the Asbestos-Related Patients and the Family Members of the Deceased near the Former Kanzaki Plant.”

KUBOTA employees, including those already retired, suffering from asbestos-related diseases comprised a total of 181 persons as of March 31, 2012, of whom 158 are deceased and 23 are undergoing treatment.

KUBOTA has provided financial support for clinical and basic research projects conducted by Hyogo College of Medicine.

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*For items on internal relations, see the Management section on p.17, and for environmental items, see the Environmental Report section on p.42.*
Quality and Services to Improve Customer Satisfaction

The KUBOTA Group will live up to the trust of its customers with reliable quality and a wide range of services.

### Background for activities
- Ensuring product safety and offering products, technologies and services that contribute to customer satisfaction and confidence

### Targets for FY2012
- Improving the capacity to respond to inquiries by phone and email
- Application of quality engineering to the whole company in order to prevent quality problems
- Further improvements in quality control and product safety education

### Priority items for FY2013
- Enhancing coordination between service divisions and parts centers to improve the capacity to respond to inquiries
- Increasing the coverage of ongoing quality audits among overseas affiliates and conducting on-the-spot quality audits
- Continuous application of quality engineering to the whole company
- Providing contracted education on quality control and product safety

#### Response at the customer center

The domestic agricultural machinery customer center is a part of KUBOTA’s consultation office on agricultural machinery for customers in Japan. Its dedicated team started to provide consultations in the center in January 2010. The main jobs are (1) response to inquiries from customers, (2) surveys of the purchasers of its main models regarding customer satisfaction and (3) support of the dealer network in the improvement of customer satisfaction. KUBOTA is handling the questions and problems of individual customers. The voice of customer is received directly at the Home Office of KUBOTA, which is a manufacturer, is fed back to KUBOTA is handling the questions and problems of individual customers. The voice of customer is received directly at the Home Office of KUBOTA, which is a manufacturer, is fed back to

#### Quick supply structure with parts centers

For KUBOTA’s customers that the Company supplies with agricultural machinery, it is crucial to perform farm work efficiently based on decisions made concerning the growth of the crops, weather, market conditions, etc. The supply of parts for the maintenance of the machinery plays a very important part in such efficient farming. KUBOTA maintains a prompt delivery rate of 99% through the expansion of inventory based on demand forecasting and enhancement of the supply structure. For further improvement of the parts service level, it is committed to logistics management and improvement activities on a daily basis.

### Kubota Life Kyushu Co., Ltd.

Founded in Kumamoto Prefecture in September 2011 to enter the nursing care business, KUBOTA Life Kyushu offers a residential training course for approximately one year as initial education for new employees who will engage in manufacturing at production sites. This system is highly appreciated by visitors to the training centers including high school teachers.

#### Improvement of new employee (trainee) education

Under the policy of “no manufacturing without human resource development”, KUBOTA is committed to education of the new employees who will engage in manufacturing at production sites. The current trainee system, which was launched in 1975, provides a residential training course for approximately one year at the two training centers in Sakai and Hirakata in Osaka Prefecture. The training consists mainly of technical and skill training, practical training at production sites and personality development training. Throughout the training period, the trainees learn the basics as members of society and as new employees. This system is highly appreciated by visitors of the training centers including high school teachers.

### KUBOTA Technical Skill Contests

On February 25, 2012, the 1st KUBOTA Group Technical Skill Contests were organized at the Sakai Plant and the Hirakata Plant. About 1,000 people including spectators attended the event, and 132 contestants including 113 from domestic bases of the KUBOTA Group and 19 from overseas bases competed to demonstrate the fruits of their daily efforts to improve their skills.

#### Thorough improvement based on the “5-Gen” principle

Manufacturing at KUBOTA is based on the “5-Gen” principle (Gen-ba (Actual Site), Gen-butsu (Actual Things), Gen-jitsu (Actual Facts), Gen-ri (Principles) and Gen-soku (Basic Rules)) to promote improvement activities. In 2002, KUBOTA launched a training school called “5-Gen Dojo” to develop human resources that can practice the “5-Gen” principle. To date, approximately 1,400 persons including more than 100 from outside Japan attended the classes to inherit KUBOTA’s spirit for manufacturing. The “5-Gen Dojo” aims to enable the trainees to double their production efficiency when they return to their workplace after completing the one-week curriculum. In FY2012, KUBOTA started full-scale on-the-spot guidance sessions at local sites of overseas affiliates in order to develop and establish the principle on a global scale.

#### Training in the “5-Gen Dojo”

- Training in the “5-Gen Dojo”
  - Farm & Industrial Machinery Domain
  - Mid-career engineers
  - New employees
  - Overseas affiliates
  - Indonesia
  - Thailand
  - China

### Product recall information

- Recall of combines: 7 models, 1,846 units in total
  - (Recall notification number: 2005 / Recall start date: March 2, 2012)
- Recall of tractors: 7 models, 735 units in total
  - (Recall notification number: 2394 / Recall start date: June 1, 2012)

For further information, see: [http://www.kubota.co.jp/important/index.html](http://www.kubota.co.jp/important/index.html)
Timely and Appropriate Release of Information

The KUBOTA Group is committed to prompt and enhanced disclosure of corporate information and making efforts to release information in a transparent and sincere manner.

Background for activities
- Increase in the roles of shareholders held by foreign shareholders, and growing demand for disclosure of information (SRI market)
- Growing interest and demand from overseas stakeholders with the increase of the overseas sales ratio to more than 50%

Targets for FY2012
- Promotion of IR activities aimed at achieving an appropriate share price that reflects the real status of the company
- Expanding the range of stakeholder communication by means of appropriate release of information
- Establishing the methods for sending information tailored to the conditions of each overseas region

Priority items for FY2013
- Promotion of prompt disclosure of information
- Improvement of the website for each overseas region

Efforts in FY2012

Activities for shareholders and investors
KUBOTA is actively communicating with its shareholders and investors through constructive IR activities, while conducting fair and prompt disclosure. It works hard to form a broad shareholder base through activities such as briefings to explain the consolidated financial results and other matters, meetings with investors and securities analysts and plant tours. Since its listing on the New York Stock Exchange in 1976, KUBOTA prepares financial reports according to generally accepted accounting principles in the U.S. It is presenting reports that explain accounts, including asset securities reports, quarterly reports, earnings releases and Form 20-F (annual report submitted to the SEC (in the U.S.), as well as other materials prepared both in Japanese and English, including KUBOTA REPORT, presentation material of financial results, share and bond information and news releases. These are available on its website so that investors can view them easily anytime.

Holding shareholders meetings in an easy-to-understand manner
At shareholders meetings of KUBOTA Corporation, which are attended by many shareholders every year, KUBOTA makes various efforts based on recognition that these meetings give the Company precious opportunities to directly communicate with its shareholders. The meetings are held at its Head Office so that the attendees can feel close to KUBOTA, and its products such as tractors, combine harvesters and rice transplanters are exhibited in front of the venue. The Company also presents the results of its business activities for the past year with visual materials and professional narration. The President directly explains the issues and challenges KUBOTA will tackle to the attendees in an easy-to-understand manner.

Global website
With the objectives of achieving total optimization from global management, enhancing convenience for website visitors and improving the corporate brand, KUBOTA has opened its global website aimed at outlining the whole KUBOTA Group around the world. It not only translates the Japanese pages, but has created webpages for China, the U.S., Thailand, Canada and Vietnam as well, with the goal of presenting the original content suitable for each country and region. In the future, it will improve the website based on the understanding of the needs and circumstances in each country.

As a Partner to Grow Together

The KUBOTA Group is cooperating with business partners to promote the CSR management that contributes to social development and conservation of the global environment.

Background for activities
- Customers are increasing their interest in the whole business process in which products and services are created, in addition to the quality and performance of products.
- Encouraging implementation of the objective of Guidelines on the part of KUBOTA’s suppliers
- Application to the KUBOTA Group suppliers

Targets for FY2012
- Preparing for application of CSR procurement guidelines (Conducting surveys of actual conditions or the preparation)

A priority item for FY2013

Purpose of the establishment of CSR Procurement Guidelines
In addition to the quality and performance of products of the KUBOTA Group, its customers are increasing their interest in “how they are produced,” or in other words, the whole business process in which products and services are created. To meet this growing interest, KUBOTA shares common recognition on CSR with its business partners, who play important roles in its CSR activities, and makes efforts in cooperation with them.

Penetration of the CSR Procurement Guidelines
KUBOTA Corporation has applied the guidelines to its suppliers in Japan since 2011, and started to apply them to the Japanese suppliers of its domestic affiliates in 2012. When renewing the master transaction agreement with business partners on a roughly annual basis, the Company confirms their consent to its CSR Procurement Guidelines. Although it needed to invest considerable effort to share recognition initially after the introduction, the system to confirm their consent has helped raise the awareness of both the Company and its business partners.

Outline of the CSR Procurement Guidelines

1. Winning Customer Satisfaction

Business partners are requested to seek ways to win customer satisfaction and confidence by working to ensure product safety and offering products, technologies and services that meet customer needs.

2. Conducting Corporate Activities Based on Compliance with Legal Regulations and Ethical Principles

Business partners are requested to conduct their corporate activities while observing the letter and spirit of legal regulations applicable to their business operations, in accordance with ethical social principles and good conscience.

3. Respecting Human Rights

Business partners are requested to base their activities on the Universal Declaration of Human Rights, to respect human rights, and not to violate human rights. Moreover, the business partners are requested to respect the privacy of individuals and to work to protect personal information.

4. Creating a Safe and Vibrant Work Environment

Business partners are requested to maintain a safe and healthy working environment and to work toward improving workplace conditions. In addition, they are requested to respect the diversity and creativity of employees and to promote vibrant work environments.

5. Preserving the Global and Local Natural Environments

Business partners are requested to aim to create a society where sustainable development is possible on a global scale and to conduct their operations with concern for preserving the natural environment.

6. Achieving Symbiosis with International and Local Societies

Business partners are requested to respect the culture and customs of all countries and regions and to seek to build relationships of trust through communication with local societies, while also working to be good corporate citizens.

7. Fulfilling Responsibilities for Improving Management Transparency and Accountability

Business partners are requested to make appropriate and timely disclosure of corporate information and to fulfill their responsibilities for transparency and accountability in corporate activities.
Respecting Human Rights and Promoting Diversity

The KUBOTA Group respects the personality of each of its employees and is working to build a system to ensure that they can demonstrate their own potential to the fullest.

Efforts in FY2012

Creating workplaces for disabled persons

KUBOTA has founded two specific subsidiaries, KUBOTA Works Co., Ltd. and KUBOTA Sun-Vege Farm Co., Ltd., and operates them to create jobs and a work environment for disabled persons.

KUBOTA Sun-Vege Farm Co., Ltd. engages in hydroponic cultivation of safe and reliable vegetables with the aim of seeking to promote the independence of persons with disabilities and their coexistence with local communities, as well as using abandoned cultivated fields to support the stimulation of agriculture in Japan. The vegetables produced by the company are not only used by the cafeterias of the Head Office and sold internally, but are also marketed in supermarkets in Osaka Prefecture.

Efforts to respect human rights

The KUBOTA Group bases its activities on the Universal Declaration of Human Rights and respects human rights. The Group does not discriminate or cause violations of human rights on the basis of nationality, age, gender or for any other reason whatsoever, and it does not permit forced labor or child labor. To this end, it makes efforts to raise awareness of human rights, respect international human rights guidelines and ensure thorough compliance with relevant laws in the respective countries and regions.

Initiatives for diversity management

As part of its efforts to help female employees demonstrate their full abilities, KUBOTA supports their career formation, especially through the activities of K-Wing (Kubota Woman’s Initiative Diversity Network & Group). It is actively assisting all employees in balancing their work and personal lives as well. The efforts in FY2012 focused on the establishment of clear future career visions for the K-Wing members mainly through the Group’s activities. A theme for the activities was set for each member to meet her specific needs. KUBOTA is also recruiting increasingly more women and foreign nationals as the general employees who will play active roles in KUBOTA in the future.

Creating workplaces for females

KUBOTA in the future.

KUBOTA is also recruiting increasingly more women and foreign nationals as the general employees who will play active roles in KUBOTA in the future.

Maximize our Human Resources by the Appointment and Training to Support our Global Business Development

The KUBOTA Group will strengthen the appointment and training of human resources that can play active roles globally in order to respond to globalization of its business activities.

Efforts in FY2012

Increasing local management to respond to global business activities

To accelerate global business activities, KUBOTA is promoting the appointment of local management to deal with local cultures and business practices in a timely manner. In addition, KUBOTA is trying to share original techniques and corporate principles with local employees and expand its global business activities.

Improvement of trainee systems

KUBOTA Corporation has been sending 5 to 10 employees abroad as trainees every year since 1997. To further promote development of international human resources, it will increase the number of persons sent in FY2013. It is also receiving trainees from overseas subsidiaries. In FY2012, one trainee was sent from SIAM KUBOTA Corporation Co., Ltd. to the procurement department of KUBOTA Corporation.

KUBOTA in the future.

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Creating a Physically and Mentally Healthy Work Environment

The KUBOTA Group is committed to the establishment of a healthy corporate climate in which all employees can balance work and life.

**Background for activities**
- Maintenance of a safe and healthy workplace environment and improvement of workplace conditions

**Targets for FY2012**
- Maintaining health-promotion activities
- Strengthening the company-wide system to respond to mental health issues

**Priority items for FY2013**
- Thoroughly implementing follow-up measures after mental health checkups
- Holding meetings of persons in charge of mental health promotion in addition to labor-management committee meetings, and establishing guidelines

Efforts in FY2012

**Mental health and counseling services**

KUBOTA will establish specific methods for mental health promotion activities, announce measures to help its employees develop good mental health and to fulfill its responsibility for paying attention to safety as one of its business tasks and for vigorously promoting these measures.

**Talk with the President**

KUBOTA Corporation provides the employees who have been promoted to senior positions (managerial positions) with an opportunity to directly talk with the President. This event aims to raise their awareness in senior positions (managerial positions), to motivate young employees to have a spirit of challenge and to develop a corporate culture where they can freely express their career goals.

**Introduction and expansion of systems**

- Childcare-related systems
  - Granting a part of childcare leave as paid leave
  - Introducing leave to attend school events, etc.
  - Introducing a system that allows employees to take leave in half-day units to care for sick children
- Nursing-care-related systems
  - Extending the period when nursing care leave can be taken
  - Extending to two years the period during which the systems for related working hours, flex-time and starting work later or ending work earlier can be used

**Leaves and number of users**

<table>
<thead>
<tr>
<th>Childcare-related</th>
<th>Nursing-care-related</th>
</tr>
</thead>
<tbody>
<tr>
<td>Childcare leave</td>
<td>102%</td>
</tr>
<tr>
<td>Short hours working system</td>
<td>88 persons</td>
</tr>
<tr>
<td>Leaver to care for sick children</td>
<td>144 days in total</td>
</tr>
<tr>
<td>Nursing care leave</td>
<td>4 persons</td>
</tr>
<tr>
<td>Short-term nursing care leave</td>
<td>193 days</td>
</tr>
</tbody>
</table>

**Efforts to promote work-life balance**

KUBOTA Corporation has formulated various ideas based on the Act on Advancement of Measures to Support Raising Next-Generation Children, so as to enable employees to work in a manner in harmony with their private lives. Its efforts along these lines were officially recognized, leading to the receipt of “Kurumin” mark (Next Generation Recognition Mark) in 2009 and 2011.

**Action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children**

- Encouraging acquisition of a childcare leave program by male employees
- Adoption of a system under which employees who are raising children can take time off to attend school events, etc.
- Introduction of a system that allows employees to take leave in half-day units to care for sick children

Term of plan: April 1, 2011 to March 31, 2013 (two years)

**VOICE**

Shizuo Matsuzawa,
Farm Machinery Overseas Sales Department, KUBOTA Corporation

The one-month childcare leave was very significant to me.

I took childcare leave for one month because I had to take my first son to and from his kindergarten, but no relative that I could rely on lived in the neighborhood. I had precious time with my family, which also helped prepare the first son to accept the second son. Above all, I was able to help my wife reduce her burden, which was the biggest benefit. I appreciate this system and also thank my colleagues in the workplace for their cooperation.

Creating a Safe Workplace for All Employees

The KUBOTA Group is making efforts to ensure thorough health and safety management and create a more comfortable workplace environment where all employees can work with a sense of security.

**Background for activities**
- Maintenance of a safe and healthy workplace environment
- Development of the company-wide system to respond to health and safety issues

**Targets for FY2012**
- Promoting basic safety by means of ongoing measures applicable to equipment
- Revising rules and standards applying to health and safety and adopting a thorough approach to maintaining a healthy work environment
- Improving the quality of risk assessment and security, and conducting inspections for hazard prevention activities

**Priority items for FY2013**
- Promoting focused measures to ensure fundamental safety of equipment on an ongoing basis
- Continuing measures for compliance with the rules and developing safety activities directly allowing employees to engage in operations that are difficult to control
- Conducting risk assessment to enhance the sense of safety among employees and take precautionary actions on an ongoing basis

**Efforts in FY2012**

**Occupational health and safety activities to pursue high goals**

KUBOTA’s occupational health and safety goals have been set with reference to the safety values used by the Japan Automobile Manufacturers Association, which is said to be the most advanced organization in terms of safety management in Japan. To pursue the goals, it is developing activities in a deliberate manner to prevent occupational accidents based on its occupational health and safety management system.

**Efforts to enhance a sense to detect danger**

KUBOTA’s offices are working to establish training facilities where dangerous situations are simulated and experienced by employees. For example, trainees fall from a high place and get a chockstick in a machine instead of a finger. In this way, the Group is making efforts to teach the importance of following safety rules.

**Improving health and safety management levels throughout the Group both in Japan and overseas**

Efforts being made to improve health and safety at individual locations are followed by health and safety audits centered on the workplace in an attempt to raise health and safety management levels throughout the KUBOTA Group, both inside Japan and overseas.

**Trends in the accident frequency rate**

- Average for all industries in Japan (Source: Ministry of Health, Labour and Welfare)
- Average for the manufacturing industry in Japan (Source: Ministry of Health, Labour and Welfare)
- KUBOTA Corporation
Contributing to International and Local Societies

As a member of global and local societies, the KUBOTA Group continues making contributions to the realization of sustainable societies with technology and human resources.

Background for activities
- As the responsibility of a business that is involved in the areas of food, water and the environment, the KUBOTA Group conducts various activities in order to solve social problems.

Targets for FY2012
- Reconstruction assistance in response to the Great East Japan Earthquake
- Promoting overseas development of KUBOTA e-Project

Priority items for FY2013
- Pursuit of continuing social contributions that are relevant to business
- Promoting overseas development of KUBOTA e-Project

KUBOTA e-Project activities
- Support for the restoration of abandoned farmland
- KUBOTA GENKI Agriculture Experience Workshop
- Support for the production of bio-fuel crops
- Developing regional brands, advertising farm fresh crops
- Introduction of the activities of farmers with vision
- KUBOTA e-Day Volunteer Program
- Improving global water environments
- “UCHIMIZU” solution for heat island

Support for the restoration of abandoned farmland
To help eliminate abandoned farmland around Japan, KUBOTA extends support to part of the farmland restoration and improvement activities (mowing, hillside, leveling, etc.) and crop cultivation activities (sowing, intermediate management, harvesting, etc.) by offering agricultural machinery. In FY2012, it gave such support in 16 locations nationwide.

The KUBOTA e-Project

KUBOTA GENKI Agriculture Experience Workshop
KUBOTA Corporation and its agricultural machinery sales companies all over Japan have been organizing the KUBOTA GENKI (= active) Agriculture Experience Workshop to provide children with opportunities to experience rice farming. This program aims to deepen understanding of agriculture and promote the emotional well-being of children through rice growing agricultural experiences such as rice transplanting and rice harvesting.

In FY2012, the workshop was organized in nine locations across Japan.

Local cleanup efforts on the “KUBOTA e-Day”
Employees in the KUBOTA Group’s business sites around Japan are also committed to local cleanup activities as volunteers. Each business site performs volunteer activities tailored to local conditions, and the employees do what they can, such as mowing in agricultural waterways and rivers, as well as cleanup in parks, green areas and the neighborhood of the business site. In this initiative, which has been continued since 2008, KUBOTA aims to do its best to offer steady and continuous support to local communities, even if the contribution of each activity may be small.

In 2011, approximately 7,300 employees participated in the volunteer activities.

Social contributions overseas
KUBOTA is making efforts to improve water regimes in overseas regions that struggle to secure safe drinking water and other water for domestic use. Currently, it is continuing to provide well construction assistance in the Bijapur region of India, through the Japan Asian Association and Asian Friendship Society which is familiar with local conditions, and one well was also completed this year. In the future, it will continue to work on improvement of water regimes in other countries.

Flood damage assistance in Thailand
The entire KUBOTA Group has worked to provide assistance in response to the widespread flood damage in Thailand caused by continuing rains that began in the summer of 2011. In addition to the contribution of relief funds, the Group offered help such as providing motorized pumps from a local group company and operating transportation service for local residents using tractors. Also, as a member of the Japan Disaster Relief Team of the Japan International Cooperation Agency (JICA), eight employees of the KUBOTA Group rendered services for local well construction assistance in Thailand.

Interacting with local residents through company sports activities
KUBOTA operates a corporate sports team called Kubota Spears (rugby club). The team is involved in exchange activities with local residents such as rugby coaching events and cleanup of the neighborhood. In the “One for All, All for One” spirit, it will continue to cherish the relationships with local societies.
Social Report

Assistance towards Great East Japan Earthquake Reconstruction Efforts

The KUBOTA Group has been committed to relief and reconstruction assistance for the areas affected by the Great East Japan Earthquake, including the supply of monetary donations, critical materials and volunteer workers, since immediately after the earthquake. With a focus on reconstruction assistance through business activities such as restoration of agriculture and infrastructure development, the Group will also provide "extensive," "sustainable" and "characteristic" support on a continuing basis.

Donating construction machinery to support rehabilitation activities

KUBOTA donated a total of 20 construction machinery of the 4-ton class to the Headquarters for Disaster Control in Fukushima Prefecture and leads Prefectural Institute of Construction Industry Association for removing debris and demolishing partially destroyed houses. KUBOTA's machinery is effectively used for the restoration activities in affected areas where there is a shortage of construction machinery.

KUBOTA products are effectively used for reconstruction efforts and construction of temporary housing

Products of the KUBOTA Group are utilized in a wide range of areas for disaster rehabilitation including restoration of water pipes, construction of pipes for temporary housing and drainage in flooded districts. It will take all possible measures to preferentially provide products for reconstruction assistance to help perform the rehabilitation activities smoothly.

Desalination and decontamination of farmland

To help restore the farmland suffering salt damage caused by the tsunami, KUBOTA is conducting a demonstration test for desalination with the cooperation of an agricultural corporation in Natori, Miyagi Prefecture. The technology under study aims to desalinate a field even if an adequate supply of agricultural water cannot be secured due to broken waterways. Moreover, it is providing the information necessary for farmers by, for example, preparing and distributing a booklet that introduces actual examples of farmland rehabilitation in the past.

Donation of engines to high schools in affected areas

KUBOTA donated engines as educational materials to the industrial and agricultural high schools that lost their engines for practical training due to the tsunami. It hopes that the students will improve their skills through the practical training and play active roles in the rehabilitation of their hometowns as early as possible. It will continue to support these students who have future potential to work for the affected areas.

Assistance with a technique for “direct sowing of iron-coated seeds”

Many farmers in the disaster-stricken areas were forced to give up rice planting because their seedling cultivation equipment had been swept away by the tsunami. To help such farmers, KUBOTA proposed a technique for “direct sowing of iron-coated seeds,” which saves rice seeds by machinery directly without using seedlings, and provided necessary support in 2011. In 2012, it planted rice using the technique with students of Miyagi Prefectural Agricultural High School in their practical training farming affected by the disaster, as well as in other fields of local farmers. KUBOTA will continue such efforts to assist rehabilitation with local youngsters.

Support of a rugby match in Kamaishi, a city of rugby, to pray for the revival

In July 2011, Kubota Spears had a friendly match in Kamaishi, Iwate Prefecture with the local rugby team, Kamaishi Seawaves. The match was organized to pray for the earliest possible restoration of the disaster-stricken areas. KUBOTA employees provided catering services as volunteers along with local mobile food vendors.

Volunteer activities of KUBOTA employees

In July 2011, KUBOTA employees participated in the collection of household goods from houses damaged by the tsunami and the removal of debris in affected coastal areas. Our new recruits and other employees also performed volunteer activities in September and October 2011 and May 2012. The employees who joined in the activities realized that it would take considerable time for the restoration. The KUBOTA Group will make continuous efforts to support the rehabilitation of the disaster-stricken areas.

Programs for children in affected areas

The KUBOTA “TERRA-KOYA” is a summer camp hosted by the BeGood Café, a non-profit organization, and organized every year as a KUBOTA e-Project, which is one of the social contribution activities of the KUBOTA Group. In 2011, the camp invited children from Fukushima and other areas affected by the earthquake to Azumino, Nagano Prefecture. It also organized a KUBOTA e-Project “Academy of Science and Environment” (hosted by the Asahi Shimbun Company and Asashi Culture Center) at Sendai Science Museum. Sakana-kun, who is a TV personality and visiting associate professor at the Tokyo University of Marine Science and Technology, was invited as a lecturer to talk about fish species living off the coast of the Tohoku Region.
Environmental Report

Environmental Management Basic Policy

The KUBOTA Group Environmental Charter

The KUBOTA Group aims to create a society where sustainable development is possible on a global scale and conducts its operations with concern for preserving the natural environment.

The KUBOTA Group Environmental Action Guidelines

1. The KUBOTA Group takes initiatives for the protection of the natural environment in all its activities.
   ① By setting specific goals on its own initiative while remaining in compliance with all laws and regulations
   ② By promoting initiatives at all levels of its operations, from product development to production, sales, distribution and services
   ③ By taking a proactive stance toward securing understanding of the importance of protecting the environment among its suppliers and actively obtaining their cooperation
   ④ By promoting activities friendly to the natural environment and its biodiversity

2. The KUBOTA Group works to protect the environment and create a symbiotic relationship with the community.
   ① By participating in community beautification and environmental enrichment activities in its role as a good corporate citizen
   ② By engaging in business activities that take full account of environmental protection in the community, including pollution prevention

3. The KUBOTA Group undertakes systematic initiatives to protect the environment.
   ① By conducting environmental impact assessments, working to reduce environmental risk, and preventing environmental pollution
   ② By working to solve environmental issues, including prevention of global warming, creation of a recycling society and reduction of the release of harmful substances

4. The KUBOTA Group implements a thorough program of environmental management.
   ① By introducing environmental management systems and promoting initiatives in everyday operations
   ② By proactively monitoring whether the “Plan, Do, Check, Action (PDCA)” cycle is functioning in environmental management activities
   ③ By promoting enlightenment and educational activities related to the environment and working to heighten awareness of the environment

5. The KUBOTA Group is proactive in communicating its environmental perspective.
   ① By issuing timely and easily understandable environmental information
   ② By gathering environmental information from a broad range of stakeholders and reviewing as well as upgrading its environmental protection activities

Environmental Management System

Whole Picture of the KUBOTA Group’s Business Activities and Environmental Loads

This is an overall summary of the KUBOTA Group’s diverse domestic and international business activities and the associated environmental loads, (FY2012 results, global data). The KUBOTA Group has assessed and analyzed the environmental loads and is working on load reduction efforts.

Basic Direction of Corporate Environmental Management

As the basic direction of environmental management for the KUBOTA Group, which aims to achieve a society wherein sustainable development is possible on a global scale, we have established three objectives, namely “Stop climate change,” “Work towards a recycling-based society,” and “Control chemical substances.” As the foundation for these plans, we plan to enhance our “Environmental management system” and “Environmental communication.”

As an “Eco-First Company”

In May 2010, KUBOTA made the “Eco-First Commitment” pledge to the Japanese Environment Minister to carry out environmental preservation measures on a group-wide basis, and was officially approved as an “Eco-First Company.” The pledge was made with regard to the following four points, which are being implemented together with our “Medium-Term Environmental Conservation Plan.” (P. 42)

- Stop climate change
- Work towards a recycling-based society
- Control chemical substances
- Conserve biodiversity

The KUBOTA Group Environmental Charter

As an “Eco-First Company”

Environmental Management

whole picture of the KUBOTA Group's business activities and environmental loads

Environmental Communication

The KUBOTA Group works to protect the environment and create a symbiotic relationship with the community.

Environmental Communication

The KUBOTA Group implements a thorough program of environmental management.

KUBOTA Group production processes

INPUT

Energy
9,480 TJ

Fossil fuels
3,960 TJ

Purchased electricity
543,100 MWh

Solar power generation
46.1 MWh

Transportation fuel
587 T

Total
13.1 TJ

Water resources

Sewage water
0.87 million m³

Industrial water
2.35 million m³

Groundwater
1.02 million m³

Total
4.45 million m³

Major raw materials

Cement
5.3 kilotons

New pig iron
7.3 kilotons

Bund steel
81 kilotons

Recycled materials

Old pig iron
47 kilotons

Steel scrap
211 kilotons

Chemical substances

Data for business sites in Japan
5,321 tons

PRTR-designated substances
2,090 tons

Data for overseas business sites
11.9 kilotons

CO2
6.4 kilotons

Soil and dust
9.4 tons

PRTR-designated substances
119 tons

Chemical substances (non-PRTR-designated substances)

VOC (included in the above)
119 tons

Environmental loads

INPUT

External recycling
63.7 kilotons

Industrial water
9,480 TJ

Service water
2.35 million m³

Transportation fuel
587 T

Purchased electricity
543,100 MWh

Solar power generation
46.1 MWh

Total
13.1 TJ

OUTPUT

Internal recycling & reuse
24.8 kilotons

Amount of recycled water
33.5 thousand m³

Recycled water
9,480 TJ

Purchased electricity
543,100 MWh

Solar power generation
46.1 MWh

Transportation fuel
587 T

Total
13.1 TJ

KUBOTA Group production processes

Making, Coating, Machining, Plastic molding, Welding, Painting, Assembly, Inspection, Construction, etc.

INPUT

Water system discharge

Sewage lines
78.2 kilotons

Industrial water
9,480 TJ

Service water
2.35 million m³

Transportation fuel
587 T

Purchased electricity
543,100 MWh

Solar power generation
46.1 MWh

Total
13.1 TJ

OUTPUT

PrTR-designated substances

Water system discharge (Dissolved water includes rain and spring water)

Amount of discharge water
3.82 million m³

COD
15.3 tons

NPO
10.2 tons

Phosphorus
0.29 tons

PRTR-designated substances

Sewage lines

Amount of discharge water
1.01 million m³

PRTR-designated substances

Waste

Amount of waste discharge
78.2 kilotons

Recycled water
9,480 TJ

Purchased electricity
543,100 MWh

Solar power generation
46.1 MWh

Transportation fuel
587 T

Total
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Environmental loads

The environmental information in this document (KUBOTA REPORT 2012-Business and CSR Activities), in combination with that given on the website (http://www.kubota-global.net/csr/report/pdf/2012/kankyo-web.pdf) under “Calculation Standards of Environmental Performance Indicators.”

*Note: this method of calculation for each indicator is posted on the website (http://www.kubota-global.net/csr/report/pdf/2012/kankyo-web.pdf); under “Calculation Standards of Environmental Performance Indicators.”

The environmental information in this document (KUBOTA REPORT 2012-Business and CSR Activities), in combination with that given on the website (http://www.kubota-global.net/csr/report/pdf/2012/kankyo-web.pdf), has received the third-party assurance from KPMG AZSA Sustainability Co., Ltd. Indices covered by this assurance are indicated by the “*” symbol.
Environmental Management

The KUBOTA Group is working to enhance its environmental management system in order to promote more environment-friendly corporate management. The Group is also working to increase environmental awareness among its employees and to improve the standards of its environmental activities by checking its compliance with the rules for environmental conservation and by providing educational programs.

In addition, in terms of KPI (Key Performance Indicators) for the objectives established in the “Basic direction of corporate environmental management,” namely to “Stop climate change,” “Work towards a recycling-based society” and “Control chemical substances,” the Group has formulated “Medium-Term Environmental Conservation Plan” and has been promoting activities to achieve targets on a group-wide basis including overseas business sites since FY2010.

Environmental auditing

Each year environmental audits are conducted by the KUBOTA Environmental Protection Department, based on the internal control system of the KUBOTA Group. Audits in FY2012 were conducted by means of paper audits and field audits, which focused on production sites, service sites, offices and construction departments of its domestic group and on production sites of its overseas group. Also, at its domestic and overseas production sites, in addition to environmental audits conducted by the Environmental Protection Department, internal environmental audits are also implemented by the staff of each site.

In FY2012 Environmental audit implementation status

<table>
<thead>
<tr>
<th>Environmental conservation activities at Kubota Baumaschinen GmbH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kubota Baumaschinen has been manufacturing construction machinery since 1989 in the suburbs of Zweibrücken Germany. We are in charge of the environmental management of the factory. Our company is pursuing an upgrade of its internal system in order to obtain EMAS (Eco-Management and Audit Scheme) certification. In addition, we are also pursuing the introduction of an energy management system at the same time. As energy saving measures, we are systematically implementing steps including installation of air stop valves on compressors, timer control of lighting and updating of air-conditioning equipment. In FY2012 it was possible to reduce energy consumption (gas) and costs with new installation of efficient treatment equipment.</td>
</tr>
</tbody>
</table>

Environmental education

In order to promote environmental management, the KUBOTA Group is systematically conducting education by employee-level to raise awareness of environmental issues and to strengthen environmental management.

In addition, in order to implement assured environmental conservation, the Group is conducting specialized education such as pollution control technology, energy conservation and training of ISO environmental auditors.

Medium-Term Environmental Conservation Plan and Targets/Results for FY2012

The KUBOTA Group adopted a Medium-Term Environmental Conservation Plan for the period of FY2010 to FY2013 in order to implement the basic direction of its corporate environmental management, and the Group has been promoting activities to achieve the established targets.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Stopping climate change</td>
<td>Reduce CO₂ emissions</td>
<td>CO₂ emissions per unit of sales</td>
<td>Group-wide</td>
<td>2009</td>
<td>4.7%</td>
<td>4.0%</td>
<td>3.8%</td>
<td>2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce CO₂ emissions during production</td>
<td>CO₂ emissions per unit of sales</td>
<td>Group companies in Japan</td>
<td>2009</td>
<td>3%</td>
<td>3.2%</td>
<td>3.4%</td>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working towards a recycling-based society</td>
<td>Reduce waste</td>
<td>Waste discharge per unit of sales</td>
<td>Group-wide</td>
<td>2009</td>
<td>6.6%</td>
<td>6.3%</td>
<td>6.0%</td>
<td>2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conserve water resources</td>
<td>Water consumption per unit of sales</td>
<td>Group companies in Japan</td>
<td>2009</td>
<td>1.3%</td>
<td>1.5%</td>
<td>1.3%</td>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Controlling chemical substances</td>
<td>Reduce PRTR-designated substances</td>
<td>Release &amp; transfer per unit of sales</td>
<td>Group-wide</td>
<td>2009</td>
<td>4.9%</td>
<td>3.1%</td>
<td>3.0%</td>
<td>2010</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Trends of Management Indicators (KPI) for the Medium-Term Environmental Conservation Plan

Results achieved from FY2009 through FY2012 and target values for FY2013 are shown in the following table.

<table>
<thead>
<tr>
<th>Issues</th>
<th>Actions</th>
<th>Management Indicators</th>
<th>Units</th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>Target Value FY2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stopping climate change</td>
<td>Reduce CO₂ emissions</td>
<td>CO₂ emissions per unit of sales</td>
<td>less CO₂/100¥</td>
<td>5.20</td>
<td>5.13</td>
<td>4.77</td>
<td>4.64</td>
<td>4.68</td>
</tr>
<tr>
<td>Reduce CO₂ emissions during production</td>
<td>CO₂ emissions per unit of sales</td>
<td>less CO₂/100¥</td>
<td>5.75</td>
<td>4.78</td>
<td>4.45</td>
<td>4.68</td>
<td>518</td>
<td></td>
</tr>
<tr>
<td>Working towards a recycling-based society</td>
<td>Conserve water resources</td>
<td>Water consumption per unit of sales</td>
<td>less CO₂/100¥</td>
<td>4.13</td>
<td>4.18</td>
<td>4.14</td>
<td>400</td>
<td>397</td>
</tr>
<tr>
<td>Controlling chemical substances</td>
<td>Release &amp; transfer per unit of sales</td>
<td>less CO₂/100¥</td>
<td>7.17</td>
<td>7.14</td>
<td>5.46</td>
<td>4.95</td>
<td>6.60</td>
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</tr>
</tbody>
</table>

1 Due to the revision of the PRTR list, the designated substances have been reviewed in 2010.
2 Self-evaluation rating symbols: Target reached (by at least 30%) Target not reached (below 30%)
3 Target not reached

Targets were generally achieved in FY2012. FY2013 is the last year of the Medium-Term Environmental Conservation Plan, and the KUBOTA Group will continue to step up its pursuit of measures aimed at reaching its targets by tackling these issues.
Stopping Climate Change

To stop climate change, the KUBOTA Group promotes reduction of CO2 emissions through energy conservation and other activities.

Reduction of CO2 emissions

The KUBOTA Group’s CO2 emissions in FY2012 stood at 468 kilotons CO2e, down 18.7% from the FY2009 level. CO2 emissions per unit of sales was also reduced by 10.6% from the FY2009 level. Thus the Group attained the reduction target for FY2012.

At production sites in Japan, the Group made efforts to identify and reduce unproductive use of energy sources, through energy conservation patrols and visualization of power consumption, etc. At offices, the Group conducted energy conservation activities, such as reducing the number of lights and ensuring control of temperature settings for air conditioning, etc. At overseas production sites, the Group promoted step-up initiatives inverter-based compressors and pumps, etc., to high-efficiency lighting appliances. In FY2013, the Group is seeking to attain its targets through group-wide efforts, including continued energy conservation measures and elimination of unproductive use of energy sources.

Reduction of CO2 emissions during distribution

The Group’s CO2 emissions during distribution in Japan in FY2012 stood at 40 kilotons CO2e. CO2 emissions during distribution per unit of sales was cut down by 3.2% from the FY2009 level, thus attaining its target. The KUBOTA Group has reduced transportation mileage through reviewing locations of its logistics sites, and has started a new initiative for joint round transportation based on shared use of cargo containers with other companies.

Working towards a Recycling-based Society

In working towards the formulation of a recycling-based society, the KUBOTA Group promotes measures for zero emissions and efficient use of water resources.

Reduction in waste discharge and promotion of recycling

The KUBOTA Group’s waste discharge per unit of sales in FY2012 was reduced by 8.7% from the FY2009 level, attaining the preset target. Waste discharge stood at 78.2 kilotons, down 16.9% from the FY2009 level. The Group has promoted resource recycling within the Group through utilization of waste oil as fuel, recovery of waste crawlers for construction machinery, machining metal dust and polishing dust as iron sources, as well as other measures. The Group will continue to promote recycling in order to reduce waste discharge.

Zero Emissions

The ratio of business sites that have achieved zero emissions stood at 61.9% for business sites in Japan, and 9% for overseas sites (overall ratio: 39.4%), failing to reach the targeted 60% level. The KUBOTA Group will promote further recycling measures at overseas sites.

Conservation of water resources

The Group’s water consumption per unit of sales in FY2012 was reduced by 3.9% from the FY2009 level, reaching the preset target. Water consumption stood at 4.46 million m3, down 12.6% from the FY2009 level.

In coming years, the KUBOTA Group plans to introduce wastewater recycling equipment mainly at overseas production sites, thereby further reducing its water consumption through reuse of wastewater and relieving water pollution loads.
Controlled Chemical Substances

The KUBOTA Group undertakes continuous measures to ensure appropriate control of chemical substances and to attain preset reduction targets.

Background for activities

- VOCs (Volatile Organic Compounds)
- Management and use of waste
- Waste management
- Energy conservation
- Conservation of biodiversity

Trends in release and transfer of PRTR-designated substances*, release and transfer per unit of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Release</th>
<th>Transfer</th>
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<tbody>
<tr>
<td>2008</td>
<td>787</td>
<td>580</td>
</tr>
<tr>
<td>2009</td>
<td>794</td>
<td>574</td>
</tr>
<tr>
<td>2010</td>
<td>664</td>
<td>479</td>
</tr>
<tr>
<td>2011</td>
<td>75</td>
<td>270</td>
</tr>
<tr>
<td>2012</td>
<td>46</td>
<td>60</td>
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</table>

*Release and transfer of PRTR-designated substances per unit of sales. Release by % from the FY2009 level.

Reduction of chemical substances contained in products

EU’s RoHS Directive and ELV Directive, and similar laws and regulations in other countries and regions, are targeted at electrical and electronic equipment and automobiles. Although the most of international machinery provided by the KUBOTA Group is not included in the scope of these regulations, the Group has promoted proactive measures to reduce the use of the six RoHS-designated substances (lead, mercury, cadmium, hexavalent chromium, PBB and PBDE) in a planned manner.

The ratio of models with reduced RoHS-designated substances in FY2012 stood at 28.0%, failing to reach the preset target of 36%. However, the Group managed to improve the ratio of components free of RoHS-designated substances used for one representative model of its tractors from 67% in 2006, when the Group initiated the reduction activities, to 98% in FY2012.

Reduction of chemical substances contained in products

Promotion of green procurement

For the purpose of providing products that are friendly to the global and local environment, the KUBOTA Group is seeking to procure products with reduced environmental impacts from eco-friendly suppliers. In order to effectively promote eco-friendly sourcing activities, the Group presents its policy for green procurement in the KUBOTA Group’s Green Procurement Guidelines, to request the understanding and cooperation of suppliers.

Response to regulations related to chemical substances

The EU’s REACH Regulation requires registration of chemical substances and provision of information regarding substances of very high concern contained in articles. In order to respond to the REACH Regulation and other regulations related to chemical substances, the KUBOTA Group has established and enforced rules to identify the chemical substances contained in its products and ensure their appropriate control.

Since FY2011, the Group has categorized chemicals contained in products into the three control levels listed below. The Group also undertakes researches on chemicals contained in products on a global basis, with support from its suppliers.

- Control levels
  - 1. Substances to be Prohibited: Should not be contained in products
  - 2. Substances to be Restricted: Should not be contained in products under certain conditions and applications
  - 3. Substances to be Controlled: Their presence in products should be recognized

Reduction of chemical substances contained in products

The release and transfer of PRTR-designated substances per unit of sales in FY2012 was reduced by 31.0% from the FY2009 level, attaining the release target and transfer was reduced by 44.4% from the FY2009 level. The KUBOTA Group will continue to promote the reduction of PRTR-designated substances through switchover to PRTR-free substitutes, operation of thinner recycling equipment and improved manufacturing processes, etc.

Consortium of Biodiversity

Conservation of biodiversity is set as one of the targets for the KUBOTA Group’s “Eco-First Commitment.” In its business activities and social contribution initiatives, the Group endeavors to ensure that care is taken to conserve biodiversity and protect the natural environment.

Background for activities

- EU’s Directive for Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment
- REACH Regulation

The KUBOTA Group reduces environmental impacts of its business activities, and contributes to conservation of ecosystems.

The following diagrams illustrate relationships between the KUBOTA Group and biodiversity.

Relationships between the KUBOTA Group and biodiversity

- In each stage of business activities, the KUBOTA Group reduces environmental loads and considers its influence on biodiversity.

Promotion of green procurement

As a corporate citizen, the KUBOTA Group devotes efforts to preserving the natural environment around its business sites.

Planting activities to solidify river banks in Thailand

SIAM KUBOTA Metal Technology Co., Ltd. in Thailand produces castings for engines and tractors. Since its foundation, the company has designated June of every year as the Month for the Environment in order to bolster employees’ recognition of environmental conservation and enhance communication with local communities. In June 2011, staff of the company participated in a local planting activity to solidify river banks as one of the events for the Month for the Environment. In this planting activity, the staff planted Vetiveria zizanioides, a grasslike family plant that is highly effective in preventing soil loss. River bank protection using plants excels protection with concrete or asphalt with respect to conservation of biodiversity, maintenance of landscapes and control of land surface heat, etc. In particular, planting of Vetiveria zizanioides is expected to highly contribute to conservation of biodiversity, because this plant that is cultured widely in Asian tropical areas will provide homes to insects and small animals, and facilitate the growth of wild plants and flowers among Vetiveria zizanioides.

Other events for the Month included tree planting on the site grounds and at nearby facilities and beautification of old facilities for a local primary school, etc. The company staff will continue to undertake similar activities in order to contribute to conservation of the local environment.
Environmental Report

Environmental-Friendly Products

One of the ways the KUBOTA Group is making its products more environmentally-friendly is by working to reduce environmental load throughout the product life-cycle.

Background for activities
- From the perspective of the product life-cycle, the KUBOTA Group is taking measures for stopping climate change, working towards a recycling-based society, and control of chemical substances.

Targets for FY2012
- Introduction of an internal certification system for Eco-Products, and start of certification

Priority items for FY2013
- Increase internally certified Eco-Products
- Promote information provision on the corporate website, etc.

Internal certification system for Eco-Products
(Products for Japanese market)

In FY2012, the KUBOTA Group introduced an internal certification system for Eco-Products, for the purpose of recognizing products with highly eco-friendly qualities. Products that satisfy specific requirements for energy conservation, resource conservation, recycling and reduction of environmentally hazardous substances, etc., are certified as Eco-Products, and labeled as such.

Example of an Eco-Product label

Evaluation items
1. Energy saving (CO₂ reduction)
2. Resources saving
3. Recycling
4. Reducing environmentally hazardous substances
5. Information disclosure

Super Eco-Products

In FY2012 the following 18 products were certified as Eco-Products.

Eco-Products

Farm & Industrial Machinery Domain

- Tractor Zero Kingwell Series
- Riding Rice Transplanter Water Rail Series
- Combine Harvester Annual Railroad Series
- Electric Power Tiller "New Nifty Saurer" (TME 1)

Water & Environment Domain

- Swing Mower "Karu-Max" (GC-K501, GCK401EX)
- Swing Mower "Karumo Deluxe" (GC-K300)
- Automatic Commercial-Use Rice Cooker Rice Robo N Series (excluding KR451N)
- Engine Diesel Engine 03-CR Series
- Construction Machine Mini Backhoe (J-40A)
- Pump Vertical Mixed Flow Pump (LV-45)
- Pump Double Suction Volute Pump (LV-12)
- Sewage Treatment Facility Equipment Gravity Belt Thickener (SNK-6S – 150)

Energy conservation

We developed a new KUBOTA method for the industry’s first heat pump system and a high-recovery case structure. According to our own research findings, our 33-item machine for 2011 achieved the number-one “super energy efficiency” in the Japanese market.

Akira Nanbu
Leader of Team 1, Product Development Group, Vending Machinery Engineering Dept., KUBOTA Corp.

Eco-Products: http://www.kubota-global.net/environment/ecopro.html

- Zero Kingwell Series
- Zero exhaust gas

Other

- Increased 50% in annual power consumption, compared to 2008 conventional models.
- Developed a new KUBOTA method for the industry’s first heat pump system and a high-recovery case structure.

- Achieved 50% cut in annual power consumption, compared to 2008 conventional models.
- Achieved 13% cut in annual power consumption, compared to 2008 conventional models.
- Coke that is generated in an ethylene cracking tube has various negative influences, comparable to smoking, in the body. The MERT series prevents accumulation of coke by improving the flow of raw materials, thereby contributing to increased operating efficiency of the plant.

Makoto Hineno
Manager, Materials R&D Group, Materials Technology Dept., KUBOTA Corp.

- We innovated a new KUBOTA method for the industry’s first heat pump system and a high-recovery case structure.
Third-Party Assurance on Environmental Reports

Since FY2005, the KUBOTA Group has received the third-party assurance in order to improve the reliability and comprehensiveness of its environmental data. The symbol is used to indicate information assured by the third party. Based on the third-party assurance in this fiscal year, its environmental report was accorded the environmental report assurance and registration mark*1 of the Japanese Association of Assurance Organizations for Sustainability Information (J-SUS). This mark indicates that the reliability of environmental data presented in the KUBOTA REPORT 2012 – Business and CSR Activities satisfies the requirements for the environmental report assurance and registration marking specified by J-SUS.

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Identifying carbon absorption in the casting process

In the casting process, not all the coke put into the cupola is burnt and discharged as CO2 emissions. Part of the carbon content is absorbed into fused iron as an essential ingredient of casting (carbon absorption), and shipped as part of steel pipes and other products. KUBOTA introduced an initiative to identify carbon absorption levels in April 2011, and has made improvements to enable more accurate identification of its CO2 emissions.

As a result, it has been identified that carbon absorption (non-CO2 carbon content) in FY2012 stood at 24 kilotons CO2e. This makes up approximately 30% of the total CO2 emissions (690 kilotons CO2e) of the KUBOTA Group.

The identified value of carbon absorption is included in the scope of the third-party assurance. The Company is seeking to further improve the reliability of relevant values, and continues to identify and disclose carbon absorption.

KUBOTA’s motivation in the second year of integrated reporting

In 2011, the KUBOTA Group integrated its business report with its CSR report as KUBOTA REPORT – Business and CSR Activities. This is the second of the Group’s integrated reports, featuring KUBOTA’s three focuses: food, water and the environment. KUBOTA’s positive corporate attitude to communicate its future vision, in addition to its historical data, is highly favorable.

Stepping up globalization further

This year’s report highlights that KUBOTA is stepping up globalization of its activities further. President Masumoto expresses his strong intention to promote global activities in his message. The report also presents a detailed description of KUBOTA’s overseas business, and explanation regarding development of global human resources. Expectations are high for KUBOTA’s continued global business deployment, because its activities are all very important for improving the quality of life in emerging countries where KUBOTA operates. Such activities have been gradually incorporated into the Company’s CSR targets. It seems that the Company has almost reached a stage where practical numerical targets can be specified for such activities.

Reliable information disclosure regarding internal control

One of the important features of KUBOTA’s report is the detailed information disclosure regarding internal control. It is highly evaluated that the Company identifies risks to be avoided through internal control, and discloses specific data including the number of audits. It is also highly reliable in that the Company details the PDCA cycle that it uses in the internal control system. It is suggested that the company formulate methods and criteria for self-evaluation that suit its internal control system.

Proactive environmental management

The report also suggests that KUBOTA’s environmental management is progressing steadily. The Company achieved its targets for both total CO2 emissions and emissions per unit of sales, despite the decreased production. This indicates that energy efficiency and resource productivity in the manufacturing frontline has been improving. The promotion of Eco-Product activities is also highly evaluated. It would be more effective if the Company promotes environmental management throughout its supply chain, and introduces some numerical targets for Eco-Products.

Enhancement of the workplace environment

With regards to the workplace environment, KUBOTA has underlined safety and reassurance, and has promoted work-life balance and diversity. Expectations are increasing for the Company’s diversity measures, as more women have been employed as “creative” personnel (general employees). It is suggested that KUBOTA has dialogues with external experts to clarify KUBOTA’s level among other companies and its requirements concerning diversity from the next term and other social issues. It will become increasingly important to facilitate interactive communication by sending messages to and inviting input from the outside.

In response to the above comments

We have received comments from Professor Kokubu since 2009. Considering his reliable opinions, we have developed our initiatives such as mid-term targets clarification reporting and environmental reporting, KUBOTA e-Project and the internal certification system for Eco-Products.

This year, we placed a particular focus on the integrated presentation of our business and CSR activities, and description of our future vision in addition to historical data, as a corporate group that contributes to society through its business. As Professor Kokubu pointed out, more specific targets must be set for us to measure progress toward achievement of our future vision.

We at the KUBOTA Group will continue to flexibly adapt to the rapidly changing business environment, and remain a sustainable company that contributes to solving problems related to food, water and the environment around the world.
KUBOTA’s history

“We must create products with our heart and soul, and ensure that commodity value in a proper sense is embodied in each of our products.”

Gonshiro Kubota, Founder of the KUBOTA Group

Corporate Profile

History

1890
- Established “Ohde Casting” as a shell foundry.
1892
- Changed the corporate name to Kubota Tekko K.K.
1894
- Established Kubota Kenki K.K.
1897
- Established Kubota Tractor Corporation (the first special subsidiary).
1901
- Established Kubota Construction Machinery (Shanghai) as a sales company for construction machinery in China.
1902
- Established Kubota Baumaschinen GmbH.
1903
- Established Kubota Electronics GmbH.
1904
- Established Kubota Agricultural Machinery Company.
1905
- Established KUBOTA Equipment Co., Ltd. (a subsidiary with the aim of corporate social contribution activities).
1906
- Established Kubota Construction Machinery (Wuxi) Co., Ltd.
1907
- Established Kubota Construction Machinery (Shanghai) Co., Ltd.
1908
- Established Kubota Construction Machinery (Beijing) Co., Ltd.
1909
- Established Kubota Construction Machinery (Guangzhou) Co., Ltd.
1910
- Established Kubota Construction Machinery (Chengdu) Co., Ltd.
1911
- Established Kubota Construction Machinery (Harbin) Co., Ltd.
1912
- Established Kubota Construction Machinery (Dalian) Co., Ltd.
1913
- Established Kubota Construction Machinery (Tianjin) Co., Ltd.
1914
- Established Kubota Construction Machinery (Xi’an) Co., Ltd.
1915
- Established Kubota Construction Machinery (Chongqing) Co., Ltd.
1916
- Established Kubota Construction Machinery (Wuhan) Co., Ltd.
1917
- Established Kubota Construction Machinery (Shenyang) Co., Ltd.
1918
- Established Kubota Construction Machinery (Nanjing) Co., Ltd.
1919
- Established Kubota Construction Machinery (Jinan) Co., Ltd.
1920
- Established Kubota Construction Machinery (Shijiazhuang) Co., Ltd.
1921
- Established Kubota Construction Machinery (Laizhou) Co., Ltd.
1922
- Established Kubota Construction Machinery (Yantai) Co., Ltd.
1923
- Established Kubota Construction Machinery (Jiaxing) Co., Ltd.
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- Established Kubota Construction Machinery (Zhejiang) Co., Ltd.
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- Established Kubota Construction Machinery (Hangzhou) Co., Ltd.
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- Established Kubota Construction Machinery (Ningbo) Co., Ltd.
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2015
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2016
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2017
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2018
- Established Kubota Construction Machinery (Huzhou) Co., Ltd.
2019
- Established Kubota Construction Machinery (Shaoxing) Co., Ltd.
2020
- Established Kubota Construction Machinery (Jinhua) Co., Ltd.
2021
- Established Kubota Construction Machinery (Huzhou) Co., Ltd.
2022
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2029
- Established Kubota Construction Machinery (Jinhua) Co., Ltd.
2030
- Established Kubota Construction Machinery (Huzhou) Co., Ltd.

KUBOTA started with production and marketing of cast metal products. Ever since its foundation, it has provided a large variety of products that contribute to people’s lives and society, including iron pipes for waterworks, engines for agricultural and industrial purposes, and machine tools. All of its business organizations and products have been developed under the basic idea that “Society keeps corporations going forward.”
Corporate Profile

Directors, Corporate Auditors and Executive Officers

As of June 22, 2012

| Representative Director, Chairman, President & CEO | Yasuo Masumoto |
| Director and Senior Managing Executive Officer | Satosuke Sakamoto |
| Director and Senior Managing Executive Officer | Masatoshi Kimata |
| Director and Managing Executive Officer | Toshihiro Kubo |
| Outside Director | Yuzuru Mizuno |
| Outside Director | Junichi Sato |

Executive Officers

Senior Managing Executive Officer: Takashi Toripoge
Senior Managing Executive Officer: Tetsuji Tomita
Managing Executive Officer: Nobuyuki Toshimori
Managing Executive Officer: Katsuyuki Iwamoto
Managing Executive Officer: Kenjiro Ojima
Managing Executive Officer: Tetsu Fuji
Managing Executive Officer: Satoshi Iida
Executive Officer: Masakazu Tanaka
Executive Officer: Taichi Ito
Executive Officer: Shigeo Sasaki
Executive Officer: Hiroshi Matsukawa
Executive Officer: Yutaka Kitazawa
Executive Officer: Kento Satoh
Executive Officer: Toshiyuki Kosuwa
Executive Officer: Hiroshi Kawasaki
Executive Officer: Satoshi Masuda
Executive Officer: Masaharu Tahara
Executive Officer: Yoshitaka Fujita
Executive Officer: Kunio Hara
Executive Officer: Takashi Ue
Executive Officer: Hiroshi Kubota
Executive Officer: Yuji Ohtsuka
Executive Officer: Yasuo Nakada
Executive Officer: Masato Yoshikawa

Corporate Auditors

Corporate Auditor: Hisazumi Nara
Corporate Auditor: Hiroshi Shikita
Corporate Auditor: Massa Mochitsuka
Corporate Auditor: Akira Negishi
Corporate Auditor: Ryoji Sato

Organization

As of August 1, 2012

Corporate Data

Corporate Name: KUBOTA Corporation
Head Office: 2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka 556-8601 Japan
Established: 1890
Capital: ¥84,070 million (as of March 31, 2012)
Total number of shares issued: 1,285,919,180 (as of March 31, 2012)
Number of shareholders: 44,356 (as of March 31, 2012)
Revenues: ¥1,008,019 million (Fiscal Year ended March 31, 2012 (Consolidated))
Number of employees: 29,185 (as of March 31, 2012 (Consolidated))
Backed up by high quality on an international level, the KUBOTA Group is stepping up the pace of business operations overseas through expansion of production bases and other such activities. We intend in the future to further consolidate our production bases and other such activities.

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The KUBOTA Group’s overseas business sites and main overseas affiliates

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**North America**

1. KUBOTA Canada Ltd.
   - Sales of tractors, construction machinery, engines, and UVs.
2. KUBOTA Metal Corporation
   - Sales of structural steels, structural steels, and aluminum.
3. KUBOTA Europe (UK) Ltd.
   - Manufacturing and sales of construction machinery and engines.
4. KUBOTA España S.A.
   - Manufacturing and sales of construction machinery and engines.
5. Kverneland AS
   - Manufacturing and sales of construction machinery and engines.

**Europe**

1. KUBOTA Europe (SA) S.A.
   - Sales of tractors, construction machinery, engines, and UVs.
2. KUBOTA (Deutschland) GmbH
   - Rodgau-Dietzenbach, GERMANY
   - Sales of tractors, engines, and UVs.
3. KUBOTA Baumaschinen GmbH
   - Darmstadt, Hessen, GERMANY
   - Manufacturing and sales of construction machinery.
4. KUBOTA (UK) Ltd.
   - Oxfordshire, UK
   - Manufacturing and sales of construction machinery and engines.
5. KUBOTA Membrane Europe Ltd.
   - London, UK
   - Manufacturing and sales of metal-steel products.
6. KUBOTA España S.A.
   - Madrid, SPAIN
   - Manufacturing and sales of construction machinery and engines.
7. Kverneland AS
   - Hommelvik, NORWAY
   - Manufacturing and sales of construction machinery and engines.

**Asia & Oceania**

1. KUBOTA Korea Co., Ltd.
   - Seoul, KOREA
   - Sales of tractors, tractors, harvesters, rice transplanters, and construction machinery.
2. KUBOTA China Holdings Co., Ltd.
   - Shanghai, CHINA
   - Regional headquarters in China.
3. KUBOTA China Financial Leasing Ltd.
   - Shanghai, CHINA
   - Financial leasing business for KUBOTA’s main products including construction machinery and agricultural machinery.
4. KUBOTA Agricultural Machinery
   - Suzhou, CHINA
   - Manufacturing and sales of combine harvesters, rice transplanters, and other agricultural machinery.
5. KUBOTA Engine (SHANGHAI) Co., Ltd.
   - Shanghai, CHINA
   - Sales of engines.
6. KUBOTA Construction Machinery
   - Xi’an, CHINA
   - Manufacturing and sales of small diesel engines.
7. KUBOTA Guishan Environmental Engineering Co., Ltd.
   - Hangzhou, CHINA
   - Plant engineering and sales of membrane bioreactors, and manufacturing and sales of membrane units.
8. KUBOTA Environment Engineering (SHANGHAI) Co., Ltd.
   - Shanghai, CHINA
   - Plant engineering and sales of equipment for the water treatment market.
9. KUBOTA Engine (SHANGHAI) Co., Ltd.
   - Shanghai, CHINA
   - Manufacturing and sales of steel casting products.
10. KUBOTA Construction Machinery (WIYUO) Co., Ltd.
    - Jiepang, CHINA
    - Manufacturing of construction machinery.
11. KUBOTA Construction Machinery (SHANGHAI) Co., Ltd.
    - Shanghai, CHINA
    - Sales of construction machinery.
12. KUBOTA Machinery (SHANGHAI) Co., Ltd.
    - Shanghai, CHINA
    - Sales of construction machinery.

**Plants, offices and main affiliates in Japan**

- **Head offices**
  - Head Office
  - Harashima Office
  - Tokyo Head Office
  - Regional offices
    - Hokkaido Regional Office
    - Tohoku Regional Office
    - Chubu Regional Office
    - Chugoku Regional Office
    - Kyushu Regional Office
  - Branch offices
    - Wakoakata Sales Office
    - Okinawa Sales Office

- **Main overseas affiliates**
  - KUBOTA Construction Machinery Corporation (Osaka, Osaka Prefecture)
  - KUBOTA Construction Machinery Corporation (Kuchikuchu, TAIWAN)
  - KUBOTA Construction Machinery Corporation (Osaka, Osaka Prefecture)
  - KUBOTA Construction Machinery Corporation (Osaka, Osaka Prefecture)
  - KUBOTA Construction Machinery Corporation (Osaka, Osaka Prefecture)

- **Other businesses**
  - KUBOTA Construction Machinery Corporation (Osaka, Osaka Prefecture)
  - KUBOTA Construction Machinery Corporation (Osaka, Osaka Prefecture)
  - KUBOTA Construction Machinery Corporation (Osaka, Osaka Prefecture)
  - KUBOTA Construction Machinery Corporation (Osaka, Osaka Prefecture)
  - KUBOTA Construction Machinery Corporation (Osaka, Osaka Prefecture)
KUBOTA Corporation
1-2-47 Shikitsu-higashi,
Naniwa-ku, Osaka 556-8601 Japan

Inquiries
Corporate Communication Dept.
Tel. : +81-6-6648-2696
Fax: +81-6-6648-2617

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As a leading company for environmental performance, KUBOTA has made a promise to implement environmental activities that contribute to the sustainable development of communities.

We practice Green Purchasing.

Natural energy was used to generate the electricity required for printing this report (900kWh).

This report was printed using a waterless process with no release of harmful effluents.

This publication uses a vegetable-based ink.

This report was printed on FSC-certified paper, meaning that the paper comes from forests managed in a socially and environmentally responsible way.

KUBOTA REPORT 2012 has been determined eligible to use the environmental report assurance and registration symbol of the Japanese Association of Assurance Organizations for Sustainability Information (J-SUS).