We have agreed to the Japanese Ministry of the Environment's climate change campaign called "Fun to Share."

Issued in September 2014

We practice Green Purchasing.

As a leading company for environmental performance, KUBOTA has made a promise to implement environmental conservation activities to the Japanese Ministry of the Environment.

1-2-47 Shikitsu-higashi, Naniwa-ku, Osaka 556-8601 Japan

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Corporate Communication Dept.
Tel: +81-6-6648-2937
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KUBOTA Corporation
For Earth, For Life
KUBOTA’s Mission

In 1890, Gonshiro Kubota, the founder of KUBOTA started his metal casting business at the age of 19. Believing that: “If you try hard, you can get it done” and “Do not be afraid of making mistakes,” he contributed to society with his business. He became the first producer of iron water pipes in Japan, and later, actualized mechanization of agriculture.

“For the prosperity of society, we need to put all of our efforts into creation.”

“Our products should not only be technically excellent, but also useful for the good of society.”

The KUBOTA Group inherits the founder’s beliefs, grows together with its employees, and continues to be a society-friendly and reliable company, extending its business globally.

Contributing to the abundant and stable production of food by streamlining of agriculture

As the world’s population continues to grow, the stable production of food has become an absolute necessity. Drawing on its rice farming machinery and technologies developed in Japan, KUBOTA has contributed to the elimination of rural labor shortages while increasing agricultural output throughout Asia. Moving forward, the Company will enter the large-scale dry-field agricultural machinery market in earnest in order to realize medium- and long-term growth and to further contribute to the stable production of food on a global scale.
Contributing to supply and to restore reliable water by enhancing water infrastructures

As our founder, Gonshiro Kubota produced cast iron water pipes in Japan for the first time, KUBOTA’s water-related operations have a history that spans over 12 decades. As a comprehensive manufacturer of water-related products that extend from the intake of water to its discharge, KUBOTA contributes to the development of infrastructure in Japan. Looking ahead, the Company will contribute to providing solutions in the areas of water and the environment mainly in Asia, a region that is experiencing remarkable growth.

Contributing to create a comfortable living environment and to preserve the global environment by enhancing social infrastructures

Rapid economic development in emerging countries has triggered a host of grave environmental issues. KUBOTA has continued to upgrade and expand its technological capabilities in environment-related fields and to protect the global environment since the mid-1960s when the Company first looked to tackle the growing problem of environmental pollution in Japan. Moreover, KUBOTA has operations in construction machinery, air handling units, and vending machines that contribute to the creation of comfortable urban and living environments.
KUBOTA Corporation: Kubota Global Identity

In October 2012, KUBOTA enacted the Kubota Global Identity as a universal corporate principle in order to promote business activities throughout the group based on the spirit and values passed down since the establishment of the Company. The Kubota Global Identity recognizes that food, water, and the environment are a singular theme, and the program’s “Mission” section states clearly that the goal of the Company is to contribute to the resolution of problems in these areas on a global scale.

Spirits
- Work for the development of society by drawing on all of 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.

Brand Statement
For Earth, For Life

Mission
Food, water and the environment are indispensable for human beings. The KUBOTA Group continues to support the future of the earth and humanity by contributing to products that help the abundant and stable production of food, help supply and restore reliable water, and help create a comfortable living environment through its superior products, technologies and services.

Environmental Report: Implementation of Kubota Global Identity

Corporate Principles

- Corporate Principles
  - Ongoing Synergistic Development of KUBOTA Group and Society
  - Raise corporate value, raise corporate brand profile
  - Build on society’s confidence in and high reputation for KUBOTA

CSR through Business Activities

- CSR as Basis for Business Activities
  - CSR as Basis for Business Activities
  - CSR as Basis for Business Activities

For more details on the KUBOTA Group’s CSR activities, please visit our website.

Editorial note
Focusing on exemplary efforts made by the KUBOTA Group in addressing global issues through its business activities, this report is easy to understand and will help stakeholders informed.

Relationship with the information provided on our website
The printed version of this report is concise and clear, focusing on the visual presentation of the Company’s activities to make it easier to understand KUBOTA. The online version is formatted to disclose corporate information, which is continuously reported, in fuller detail and provides more in-depth view of the content covered in the printed version.


For more information on the KUBOTA Group and the KUBOTA Group Charter for Action & Code of Conduct, please visit our website.

http://www.kubota-global.net/csr/index.html
I’m Masatoshi Kimata and I have recently assumed the position of President and Representative Director of KUBOTA Corporation. I acted as President following the sudden demise of Mr. Yasuo Masumoto, KUBOTA Corporation’s former Representative Director, Chairman, President and CEO, in June 2014. After the General Meeting of Shareholders, I was formally inaugurated in this position in July 2014.

Under his stewardship, Mr. Masumoto would often emphasize that KUBOTA’s Corporation’s and its subsidiaries’ (herein after, “KUBOTA”) philosophy was its ability to consistently evolve and change. Rather than settling for the status quo, it was imperative that we boldly take on new challenges and accelerate the globalization. I take to heart the ambitions of my predecessor, who spoke of KUBOTA’s future and his dreams for its business and then unrelentingly raced straight ahead toward their realization. Accordingly, I will endeavor to strengthen our global presence in the food, water, and environment fields.

Carrying Forward FY2015 Management Policies

I will carry forward both the management policies and priority measures developed at the beginning of the period.

Priority measures

(1) Accelerate business development in strategic markets

KUBOTA is strategically accelerating a full-scale entry into the agricultural machinery market for upland farming as well as its development of Water & Environment business activities mainly in Asia outside Japan in a bid to realize medium- to long-term growth.

Thus far, KUBOTA has expanded its overseas business activities based on the success in the agricultural machinery for rice paddy cultivation in Japan. Looking ahead, energies will be directed toward making a full-scale entry into the agricultural machinery market for upland farming, where rice cultivation is estimated to be more than four times larger than the rice cultivation market. KUBOTA will step up the development of its business in this field by quickly expanding its lineup of products, strengthening and expanding its sales and service network, and implementing other measures with the aim of building a strong position and ranking with existing European and U.S. manufacturers in the upland farming market.

In its Water & Environment business activities in China, KUBOTA is moving forward with the development of its operations through existing local engineering, pump and other business subsidiaries. In Southeast Asia, KUBOTA is entering into the new business fields. As a result of these endeavors, we have received orders for palm oil mill effluent treatment systems in Malaysia and Indonesia. Moving forward, we will make full use of the local subsidiaries’ bases acquired in 2012.

(2) Strengthen global business operating systems

In order to expand our business activities in overseas markets, I strongly believe that we must pursue the globalization of mainstay business functions. To this end, we must take steps to aggressively promote the localization of our operations. On this basis, in order to develop products that meet local needs, expanding and upgrading our R&D systems are vital if we are to genuinely expand our business in global markets. Moving forward, we will further strengthen our R&D systems after clarifying the roles and functions of R&D centers among those in Japan and those located overseas. This will enable us to more widely and thoroughly implement the approach of focusing on meeting the needs of the market.

In addition, we will place equal weight on expanding business in Japan.

(3) Realign the Water & Environment business

Compared with the Farm & Industrial Machinery business, the development of overseas operations in the Water & Environment business has lagged. We will therefore work to expand its business in the global markets and also realign the business from a long-term perspective. We will reexamine business units and products from the point of view of growth potential and profitability, and then we will aggressively allocate management resources to those units and products that should be strengthened.

Meanwhile, KUBOTA as a whole will work in unison to improve the performance of businesses that continue to exhibit prolonged weakness.

The New Management Structure

I will continue the management style of my predecessor, who placed considerable importance on top management’s leadership and work diligently to achieve established goals. With myself at the helm, directors and top management will meet regularly to exchange opinions and deliberate on matters that are important to KUBOTA. In this manner, top management is committed to ensuring a robust decision-making process. Meanwhile, I will steadfastly carry forward KUBOTA’s longstanding commitment to speedy and agile top-down management.

Decisions will therefore be implemented in a timely and robust manner. Top management, myself included, will accordingly set an example worth following with a strong sense of speed.
Management that Emphasizes the Front Line

During my career, I have worked in each of the manufacturing, sales and procurement departments. I believe that I have an adequate understanding of the difficulties faced by the front line and am sufficiently familiar with possible problems and issues that occur at the front line. Led by our former President, we have continued to engage in business management that places priority on work sites centered on manufacturing. While continuing to adopt this focus, I will also extend the importance of front line activities to include every facet of our operations including R&D, manufacturing and marketing. Recognizing that these activities define the spirit of a manufacturer, I will work to solidify our operating platform in a bid to expand business activities. Utilizing this robust platform as a springboard for growth, KUBOTA will again accelerate the pace of our business activities across global markets.

Promoting Business Activities

(1) Marketing
To successfully expand our business activities going forward, it is essential that we pursue a global-scale marketing with a long-term view and the development of appropriate technologies and products underpinned by it. It goes without saying that a customer-first principle is fundamental to the conduct of marketing. I am convinced that our efforts to deliver products and services that exceed customers’ needs with the speed that also exceeds customers’ expectations will impress our customers. To achieve this end, we must continuously improve our marketing, development and manufacturing capabilities.

(2) Technology development
KUBOTA will rebuild its R&D bases and systems in a bid to secure the technologies necessary to properly develop its business activities in strategic markets. In the past, business units have for the most part led our R&D endeavors. As previously stated, we will adopt a comprehensive and global approach to rebuilding of R&D systems and have begun steps to put in place a group-wide technology strategy for the future.

Meanwhile, it is becoming increasingly important both in Japan and overseas to develop technologies and products that are deeply rooted in each local community and accurately reflect the circumstances of each region. With this in mind, KUBOTA will work to localize its R&D activities particularly at major overseas bases.

(3) Strengthening manufacturing capabilities
KUBOTA will establish a proprietary manufacturing method that takes into consideration developments in global production as well as the unique features of KUBOTA products to further enhance the level of production. My role is to enable the implementation of this proprietary manufacturing method by putting in place a global production base network and a global human resources development platform that instills in our personnel a commitment to consistently higher quality. Moreover, I will ensure that each production base is able to deliver products that leave a lasting impression and build plants that generate excitement.

At the same time, we will place equal emphasis on globalizing the procurement function to ensure that “Made by KUBOTA” remains a trusted brand. In 2013, we established the Procurement Headquarters to unify the management of procurement across business boundaries and to strengthen collaboration between business units and bases. Additionally we take steps to secure the necessary human resources to engage in global procurement and continue to build a global-scale Group procurement network that extends well beyond each of our businesses and activities.

Toward Further Growth

My predecessor, Mr. Masumoto, was a strong advocate for the globalization. In announcing KUBOTA’s management policies each year, he would emphasize that the cultivation of new business and markets is vital for dramatic growth. To this end, he would place significant importance on substantial improvement of our capabilities in technology and manufacturing. I will make every effort for further enhancement and expansion of these fundamental policies. In specific terms, my goal is to see KUBOTA evolve into a company that consistently takes on new challenges and works diligently to contribute to society by resolving issues in the food, water and environment fields. From the perspective of our employees, I would like to see KUBOTA become a company in which employees can have a dream for the future. My goal is to ensure that a company provides a platform for employees to engage in personal growth in the conduct of their business activities. I will make every effort to unify KUBOTA and instill in its employees great confidence. As we work toward achieving these aspirations, we kindly request your continued support and understanding.
Management

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 July 1, 2014)

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 seven 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 relating to management planning, financial planning, investment, business restructuring and other important management issues.

Executive Officers’ Meeting

KUBOTA Corporation has adopted the executive officer system. The Executive Officers’ Meeting consists of the President and Representative Director (referred to below as “the President”) and the Executive Officers. In addition to its regular monthly meetings, it also meets as and when required. The President instructs the Executive Officers on policies and decisions made by the Board of Directors. The Executive Officers report to the President regarding the status of their execution of duties.

Audit & Supervisory Board Members

KUBOTA Corporation is a company with Audit & Supervisory Board Members. The Audit & Supervisory Board Members consist of five Corporate Auditors (of whom three are outside Audit & Supervisory Board Members). In addition to regular meetings held on a quarterly or more frequent basis, the Audit & Supervisory Board Members also meet as and when required to discuss and make decisions with regard to 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 Investment Council 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.

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## Internal Control System

The KUBOTA Group’s internal control system is based on the recognition that risk management forms an essential part of business activities. In naturally ensuring compliance with relevant laws and regulations, the Company works to make operational-level enhancements, such as the standardization of established practices, by making steady, ongoing improvements in its business activities so that if there are any deficiencies, they are corrected immediately.

### Audit number and contents of the risk management

<table>
<thead>
<tr>
<th>Risk management item</th>
<th>Risk to be avoided</th>
<th>Number of audited items (FY2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial reporting</td>
<td>• Risks on reliability in financial reporting</td>
<td>4,429</td>
</tr>
<tr>
<td>Fair trade</td>
<td>• Collusive bidding and price cartels</td>
<td>120</td>
</tr>
<tr>
<td>Environmental conservation</td>
<td>• Violations of law</td>
<td>12,106</td>
</tr>
<tr>
<td>Health and safety</td>
<td>• Serious accidents</td>
<td>2,904</td>
</tr>
<tr>
<td>Quality assurance</td>
<td>• Quality problems that may damage the KUBOTA brand and other matters</td>
<td>768</td>
</tr>
<tr>
<td>Labor management</td>
<td>• Related to breach of obligation on attention to safety of employees</td>
<td>5,996</td>
</tr>
<tr>
<td>Information security</td>
<td>• Computer virus infection</td>
<td>1,700</td>
</tr>
<tr>
<td>Intellectual property</td>
<td>• Infringing intellectual property of other companies</td>
<td>539</td>
</tr>
<tr>
<td>Compliance with environmental-related statutes</td>
<td>• Violations of law related to owned assets and facilities such as the Building Standard Law, Fire Defense Law and Industrial Safety and Health Act</td>
<td>498</td>
</tr>
<tr>
<td>Earthquake and other disaster control</td>
<td>• Sudden loss of management, such as human loss, damage to facilities and IT systems, caused by earthquakes, etc.</td>
<td>72</td>
</tr>
<tr>
<td>Compliance with the Construction Business Law</td>
<td>• Violation of the Construction Business Law</td>
<td>798</td>
</tr>
<tr>
<td>Human rights promotion</td>
<td>• Cases of abusing human rights</td>
<td>---</td>
</tr>
<tr>
<td>Safety operation control</td>
<td>• Violation of traffic rules and accidents caused by such violation</td>
<td>120</td>
</tr>
<tr>
<td>Prevention of illegal payments</td>
<td>• Further damage due to improper handling of traffic accidents</td>
<td>430</td>
</tr>
<tr>
<td>Confidential information management</td>
<td>• Leakage of confidential information such as development and marketing plans for new products</td>
<td>515</td>
</tr>
<tr>
<td>Personal information protection</td>
<td>• Leakage and loss of personal information on customers, employees, etc.</td>
<td>257</td>
</tr>
<tr>
<td>Import and export control</td>
<td>• Import of import and export-related links including the Customs Act, Foreign Exchange and Foreign Trade Control Law, Basel Law and chemical-related laws</td>
<td>200</td>
</tr>
<tr>
<td>Compliance with logistics-related laws</td>
<td>• Violation of the logistics-related laws including the Road Traffic Act</td>
<td>361</td>
</tr>
</tbody>
</table>

1) No. of audited items is the sum of the number of items audited in each of the divisions subject to audit in FY2013.
2) In FY2014, activities for human rights promotion focused mainly on training, releasing information, and tracking survey results.

### Operation of the Internal Control System

Amid the increasing speed of global business development, we are very much aware that risk management activities based on internal control mechanisms with relevance to business survival and work to make improvements, including at our overseas affiliates.

#### Business management (each operational division)

- **Business regulations**
  - **Day-to-day business management based on business regulations**
  - **Risk management regulations**
  - **Risk management (each department in charge)**

#### Prevention of illegal payments

KUBOTA conducts audits to confirm that mechanisms to prevent illegal payments are in place and working. The Company also confirms that there in fact have not been any illegal payments through the Prevention of Illegal Payments Committee.

The Company is especially reinforcing activities to prevent bribery.

- KUBOTA unveiled the KUBOTA Group’s Policy on Anti-Bribery and the top management made an announcement stating that they would absolutely not permit bribery.
- KUBOTA formulated the KUBOTA Group Anti-Bribery Guidelines and is putting mechanisms in place and formulating detailed rules to prevent bribery.
- KUBOTA created the KUBOTA Group Handbook for Anti-Bribery and is raising awareness of laws and rules related to preventing bribery as well as appropriate responses to bribery. We have created Japanese, English, and Chinese editions of the handbook and have also taken action to prevent the payment of bribes to foreign public officials, which has especially been a problem in recent years.
- To effectively promote bribery prevention activities, workshops are first held with departments most exposed to bribery risk.

#### Information management

- **Information security, confidential information management, protection of personal information**

Preventing information leaks and the infection of computers by viruses by the ongoing installation of standard anti-virus software in overseas operations and updating Windows XP PCs, the Company enhances security by means of audits. In addition, we are working to finish unifying the different e-mail systems used within the Company as part of our information security measures.

KUBOTA established guidelines in 2012 regarding the safe and effective use of social media for business and personal purposes. With the aim of managing the Company’s confidential information and protecting personal information, we are taking the opportunities of audits and workshops to educate everyone in the Company and ensure adherence to these rules.

Please visit our website for information on our policy regarding the protection of personal information.

[http://www.kubota-global.net/privacy.html](http://www.kubota-global.net/privacy.html)
Revenues set a new record for the second year in a row.

For the year ended March 31, 2014, revenues of KUBOTA Corporation and its subsidiaries (hereafter, the "Company") increased ¥298.0 billion [24.6%], to ¥1,508.6 billion, from the prior year. Domestic revenues in Farm & Industrial Machinery increased substantially due to higher sales of farm equipment, construction machinery, and engines. Revenues in Water & Environment also increased steadily owing to sales growth of products related to public works spending. In overseas markets, revenues increased ¥202.7 billion [30.4%], to ¥870.2 billion, from the prior year. Overseas revenues in Farm & Industrial Machinery rose in North America, Asia outside Japan, and Europe. Revenues in Water & Environment and Other expanded mainly in Asia outside Japan. The ratio of overseas revenues to consolidated revenues was 57.7%, 2.6 percentage points higher than in the prior year.

Operating income increased ¥81.1 billion [66.8%] from the prior year, to ¥202.4 billion, due to increased domestic and overseas revenues and the effect of yen depreciation. Income before income taxes and equity in net income of affiliated companies, equivalent to operating income plus other income of ¥8.9 billion, amounted to ¥211.3 billion, which was ¥84.1 billion [66.1%] higher than in the prior year. Income taxes were ¥71.9 billion, and equity in net income of affiliated companies was ¥3.0 billion. Furthermore, after deduction of net income attributable to noncontrolling interests of ¥10.8 billion, net income attributable to KUBOTA Corporation was ¥131.7 billion, ¥53.6 billion [68.7%] higher than in the prior year.

Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended March 31:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue (billion yen)</td>
<td>¥1,021.6</td>
<td>¥1,210.6</td>
<td>¥1,508.6</td>
</tr>
<tr>
<td>Operating income</td>
<td>103.2</td>
<td>121.4</td>
<td>202.4</td>
</tr>
<tr>
<td>Operating margin (%)</td>
<td>10.1</td>
<td>10.0</td>
<td>13.4</td>
</tr>
<tr>
<td>Net income attributable to KUBOTA Corp. (billion yen)</td>
<td>61.3</td>
<td>78.1</td>
<td>131.7</td>
</tr>
<tr>
<td>Capital investments (billion yen)</td>
<td>34.1</td>
<td>50.5</td>
<td>51.2</td>
</tr>
<tr>
<td>Depreciation (billion yen)</td>
<td>24.0</td>
<td>29.9</td>
<td>35.3</td>
</tr>
<tr>
<td>R&amp;D expenses (billion yen)</td>
<td>27.9</td>
<td>32.0</td>
<td>35.6</td>
</tr>
<tr>
<td>Free cash flow (billion yen)</td>
<td>38.5</td>
<td>0.1</td>
<td>30.2</td>
</tr>
<tr>
<td>As of March 31:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets (billion yen)</td>
<td>¥1,550.7</td>
<td>¥1,846.6</td>
<td>¥2,104.7</td>
</tr>
<tr>
<td>Shareholders’ equity (billion yen)</td>
<td>674.4</td>
<td>730.3</td>
<td>934.8</td>
</tr>
<tr>
<td>Interest-bearing debt (billion yen)</td>
<td>388.0</td>
<td>510.0</td>
<td>586.9</td>
</tr>
<tr>
<td>Per share data (Yen) :</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share (EPS) (billion yen)</td>
<td>¥48.54</td>
<td>¥62.15</td>
<td>¥104.94</td>
</tr>
<tr>
<td>Book value per share (BPS) (billion yen)</td>
<td>536.37</td>
<td>651.94</td>
<td>748.00</td>
</tr>
<tr>
<td>Principal financial data (%):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating margin (%)</td>
<td>10.1</td>
<td>10.0</td>
<td>13.4</td>
</tr>
<tr>
<td>Return on assets (ROA) (%)</td>
<td>6.6</td>
<td>7.5</td>
<td>10.7</td>
</tr>
<tr>
<td>Return on equity (ROE) (%)</td>
<td>9.3</td>
<td>10.6</td>
<td>15.2</td>
</tr>
<tr>
<td>Shareholders’ equity to total assets (%)</td>
<td>43.5</td>
<td>42.9</td>
<td>44.4</td>
</tr>
<tr>
<td>Debt equity ratio (times)</td>
<td>0.56</td>
<td>0.64</td>
<td>0.63</td>
</tr>
</tbody>
</table>

1) Free cash flow = Net cash provided by operating activities – Purchases of fixed assets
2) Earnings per share (EPS) = Net income attributable to KUBOTA Corp. ÷ Weighted average number of common shares outstanding
3) Book value per share (BPS) = Shareholders’ equity – Number of common shares outstanding as of such balance sheet date
4) Return on assets (ROA) = Net income attributable to KUBOTA Corp. × Financial assets (end of period) × 100
5) Return on equity (ROE) = Net income attributable to KUBOTA Corp. × Shareholders’ equity (average of beginning and end of fiscal year)
6) Debt equity ratio = Interest-bearing debt ÷ Shareholders’ equity

The Company aligned the reporting periods of certain subsidiaries and affiliated companies with different financial statement closing dates to that of KUBOTA Corporation. To reflect the impact of these changes, the Company retrospectively adjusted the consolidated financial statements for all periods presented.
Farm & Industrial Machinery

Review of operations

Revenues in this segment increased 29.3% from the prior year, to ¥1,153.1 billion, and accounted for 76.4% of consolidated revenues.

Domestic revenues increased 24.9%, to ¥727.5 billion. Sales of farm equipment marked a recent increase due to front-loaded demand before the consumption tax hike and execution of the agricultural-related supplemental budget. Sales of construction machinery expanded sharply due to the increase in public works spending and other factors. Sales of engines also rose.

Overseas revenues increased 31.1%, to ¥425.5 billion. In North America, as economic recovery trends continued, sales of tractors increased favorably due to the effects of launching a new line of products and other factors. Sales of construction machinery expanded along with the recovery of housing starts, while sales of engines showed only a slight increase. Revenues in Europe rose significantly because of increased sales of tractors and construction machinery and steady sales of engines owing to the bottoming out of the economy. Revenues in Asia outside Japan increased sharply owing to higher sales of farm equipment and recovery in sales of construction machinery in China.

Operating income in this segment increased 69.2%, to ¥196.9 billion due to increased revenues in Japan and overseas and the effects of yen depreciation.

KUBOTA has announced plans to establish a company in France to manufacture new upload farming tractors of 130 to 170 horsepower with mass production slated to commence in April 2015. We aim to produce 3,000 tractors per year from 2017. Compared with rice cultivation, a core market for KUBOTA, the area of arable land for upland crops, such as wheat, corn and soybeans, is roughly four times larger, and large-scale farmland has been expanding in mainly Europe and North America. KUBOTA decided to build a new plant because France is a central area of demand in Europe and Dunkerque is in close proximity to a port for convenient exports to North America and elsewhere. First, KUBOTA aims to expand the large-scale dry-field agricultural equipment business in Europe and North America alongside Riverland ASA, a Norwegian tractor implement manufacturer the Company acquired in May 2013. Through this initiative, we aim to become an all-round agricultural machinery manufacturer with a strong global presence in both the rice cultivation market and the upland crop market.

Machinery manufacturer with a strong global presence in both the rice cultivation market and the upland crop market.

KUBOTA doubled the production capacity for compact diesel engines under 14 horsepower at its plant in Indonesia from 60,000 to 120,000 units annually and commenced production in July 2014. Compact diesel engines are used in walk-behind power tillers and irrigation pumps, for example, and are positioned as a product for the initial stages of agricultural mechanization. With strong grass-roots demand in Southeast Asia, KUBOTA decided to invest in expanding production capacity to meet growing demand in tandem with a move to an industrial district at the request of Semarang City, KUBOTA aims to enhance its brand image as an agricultural machinery manufacturer while contributing to advances in agricultural mechanization by increasing sales of these engines in Southeast Asia.

SIAM KUBOTA Corporation Co., Ltd. (SKC), a joint-venture company formed with the Siam Cement Group, a company affiliated with Thailand’s royal family, established wholly owned subsidiaries in Cambodia and Laos in January 2014. Both Cambodia and Laos are agricultural countries that produce mostly rice. In recent years, the increase in wages in Thailand has led to an upsurge in the number of people moving to work in Thailand from Cambodia and Laos. This has in turn resulted in labor shortages in the agricultural areas of the two countries and a rapid expansion in demand for agricultural machinery. To date, KUBOTA has sold tractors, combine harvesters, compact diesel engines and power tillers to dealers in Cambodia and Laos through SKC. With the establishment of new companies in both countries, which are expected to enjoy growing demand for machinery, efforts are being directed toward further expanding the Group’s network of dealers thereby expanding the agricultural machinery business.

In Japan, farmers are working to enlarge agricultural operations, bolster cost competitiveness, and create high-value-added agricultural products while striving to efficiently produce the safe, worry-free, and delicious agricultural products demanded by consumers. KUBOTA has developed the KUBOTA Smart Agri System (KSAS) as a new system that uses information communications technology (ICT) to assist with farming and related services. We began offering this service in June 2014. At the same time, we introduced agricultural machinery compatible with KSAS and will help farmers improve agricultural operations and management using data accumulated from this machinery. KUBOTA launched for the first time tractors able to transmit data about land cultivation work records and machinery operating performances, combine harvesters able to measure harvest yields for each farm and flavor variations, and rice transplanter able to electronically adjust the amount of fertilizer applied. Data gathered by KSAS can be used to formulate agricultural work plans to find optimal harvest yields and rice crisp flavors.

Establishing a production center for an upload farming tractor in France and starting mass production in April 2015

Increasing production capacity of the diesel engine plant in the Republic of Indonesia

Establishing new companies for strengthening agricultural machinery sales in Cambodia and Laos

Launch of agricultural machinery compatible with newly developed agricultural support system with ICT for farmers in Japan
Water & Environment

Review of operations

Water & Environment is comprised of pipe-related products (ductile iron pipes, plastic pipes, pumps, valves, and other products), environment-related products (environmental control plants and other products), and social infrastructure-related products (industrial castings, spiral-welded steel pipes, vending machines, precision equipment, air-conditioning equipment, and other products). Revenues in this segment increased 10.6% to ¥313.9 billion from the prior year, and accounted for 20.8% of consolidated revenues. Domestic revenues increased 9.5% to ¥268.9 billion.

Revenues in pipe-related products rose mainly due to higher sales of plastic pipes. In addition, revenues in environment-related products and social infrastructure-related products also increased. Overseas revenues expanded 17.6%, to ¥45.0 billion owing to increased sales of pumps and industrial castings. Operating income in this segment increased 6.5%, to ¥24.9 billion, as the increase in revenues offset an increase in material costs.

Topics

Received an order for Water supply system and Water Purification Plant (WPP) and Sewerage Treatment Plant (STP) in Myanmar’s special economic zone

KUBOTA received an order for a water supply system as well as water purification and sewerage treatment plants to be installed and constructed within the Thilawa Special Economic Zone (SEZ). The Thilawa SEZ occupies a wide area of approximately 2,400 hectares and is expected to attract not only Japanese companies but also companies from all over the world. For the first stage of development in the roughly 400-ha Phase 1 Development Area, KUBOTA used ductile iron pipes for water intake and supply systems as well as its own proprietary treatment methods, which deliver low running costs, for water purification and sewerage treatment. In addition to water- and environment-related products, KUBOTA plans to provide the Thilawa SEZ with a wide range of water, efficient and exhaust gas treatment equipment provided by KUBOTA KASUI Corporation. In this manner, the Group is looking to contribute to the economic development of Myanmar.

Constructing palm oil mill effluent treatment facilities in Indonesia—KUBOTA contributes to environmental improvement and the use of renewable energy development by the anaerobic membrane

KUBOTA received an order for five plants to recover biogas from palm oil mill effluent (POME) in Sarawak in the Republic of Indonesia. This is the first order received in Indonesia and the second order received in the region, following an order in Sarawak, Malaysia in October 2012. Palm oil is a major export for Indonesia and Malaysia. The POME that is discharged as a result of the production of palm oil is polluting both water and air. This in turn has become a major problem with the heightened awareness of global warming. By providing and promoting the Company’s anaerobic membrane bioreactor (MBR) system, which has dramatically increased biogas yield (20% or higher than other systems), KUBOTA hopes to make a contribution to environmental conservation and the promotion of renewable energy use at palm oil mills in Indonesia and Malaysia, which produces 85% of the palm oil consumed globally.

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Received order for MBR system to be used in the City of Canton, Ohio, USA, the largest MBR facility in the North America

KUBOTA Membrane U.S.A. Corporation received an order for a water recycling treatment facility in Canton City, Ohio, USA in collaboration with its US partner. The facility will be the largest wastewater treatment facility to use MBR technology in North America with a capacity to serve a population of 150,000 people. The Company began technical development of MBRs and launched the Kubota submerged membrane unit (SMU) in 1991. The Company first set up a local subsidiary in London, UK in 2001. In the ensuing period, subsidiaries have been established in Washington, USA and Shanghai, China. KUBOTA (MBR) is attracting worldwide acclaim. Having considerable previous success in small and medium-sized facilities with a capacity to serve a population of 25,000 people, the Company developed a product for large treatment facilities. This particular project order is a measure of the Company’s success and the result of vigorous sales and marketing activities. The Company will accelerate the business development for large treatment facilities in Europe and the Middle East.

Other

Review of operations

Other is comprised of construction, services, and other businesses. Revenues in this segment increased 20.1% to ¥41.6 billion from the prior year, and accounted for 2.8% of consolidated revenues. Revenue generated from construction and other business also rose.

Operating income in this segment increased 57.7% to ¥3.8 billion.

Launch of imported Japanese rice milling and marketing operations in Singapore

As its second Japanese rice export receiving base after Kubota Rice Industry (H.K.) Co., Ltd., which was established in 2011, KUBOTA established the subsidiary Kubota Rice Industry (Singapore) Co., Ltd. to import, mill, and sell Japanese rice in Singapore. Operations began in January 2014 after the construction of a rice milling plant in Singapore. We aim to expand Japanese rice import and polishing businesses overseas as a way to help troubled Japanese rice producers export their crops.

Revenues Overseas revenue ratio

(¥ billion) (%)

2012 2013 2014

313.9 293.0 281.9 293.0 289.9 278.3 293.0

2012 2013 2014

25.4 23.4 23.4 25.4 23.4 23.4 23.4

0 5 10 15 20 25

0 5 10 15 20 25

0 5 10 15 20 25

KUBOTA REPORT 2014

Management

Other

Economic Report

Social Report

Environmental Report

KUBOTA REPORT 2014
## Consolidated Balance Sheets

**Assets**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2014</th>
<th>March 31, 2013</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>1,508,590</td>
<td>1,210,566</td>
<td>298,024</td>
<td>24.6</td>
</tr>
<tr>
<td>Revenues</td>
<td>1,508,590</td>
<td>1,210,566</td>
<td>298,024</td>
<td>24.6</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>1,057,003</td>
<td>880,891</td>
<td>176,112</td>
<td>20.0</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>247,865</td>
<td>288,805</td>
<td>-40,940</td>
<td>-14.1</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>-1291</td>
<td>1580</td>
<td>-3871</td>
<td>-24.2</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,508,590</td>
<td>1,210,566</td>
<td>298,024</td>
<td>24.6</td>
</tr>
</tbody>
</table>

**Liabilities and equity**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2014</th>
<th>March 31, 2013</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td>718,923</td>
<td>634,987</td>
<td>83,936</td>
<td>13.2</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>718,923</td>
<td>634,987</td>
<td>83,936</td>
<td>13.2</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>2,104,657</td>
<td>1,846,602</td>
<td>258,055</td>
<td>13.9</td>
</tr>
</tbody>
</table>

**Consolidated Statements of Income**

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2014</th>
<th>Year ended March 31, 2013</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>Total income</td>
<td>1,291</td>
<td>121,359</td>
<td>109,248</td>
<td>90.1</td>
</tr>
</tbody>
</table>

**Consolidated Statements of Comprehensive Income**

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2014</th>
<th>Year ended March 31, 2013</th>
<th>Change</th>
<th>% Change</th>
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<td>90.1</td>
</tr>
</tbody>
</table>

**Consolidated Statements of Changes in Equity**

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2014</th>
<th>Year ended March 31, 2013</th>
<th>Change</th>
<th>% Change</th>
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</thead>
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<td>1,291</td>
<td>121,359</td>
<td>109,248</td>
<td>90.1</td>
</tr>
</tbody>
</table>

---

**Notes and accounts receivable:**

- Other income (expenses):
  - Other income: 69,974
  - Other expenses: -3,527

**Investments and long-term finance receivables:**

- Total notes and accounts receivable: 617,758
  - Other income: 4,700
  - Other expenses: -1,500

---

**Equity:**

- KUBOTA Corporation shareholders' equity:
  - Common stock: 84,070
  - Preferred stock: 20,000

---

**Pension liability adjustments:**

- Equity in net income of affiliated companies: 3,034
- Other income (expenses): 5,372

---

**Other income (expenses):**

- Interest and dividend income: 4,446
- Interest expense: -1,500
- Gain on sales of securities-net: 4,700
- Other, net: 5,372

---

**Net income:**

- Basic and diluted earnings per share: 7.2
- Issued and outstanding shares: 17,071

---

**Net income attributable to noncontrolling interests:**

- Equity in net income of affiliated companies: 3,034
- Other, net: 2,527
### Consolidated Statements of Cash Flows

<table>
<thead>
<tr>
<th>Year ended March 31</th>
<th>(In millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net income</td>
</tr>
<tr>
<td></td>
<td>Depreciation and amortization</td>
</tr>
<tr>
<td></td>
<td>Gain on sales of securities-net</td>
</tr>
<tr>
<td></td>
<td>Valuation loss on other investments</td>
</tr>
<tr>
<td></td>
<td>Loss from disposal of fixed assets-net</td>
</tr>
<tr>
<td></td>
<td>Impairment loss on on-living assets</td>
</tr>
<tr>
<td></td>
<td>Equity in net income of affiliated companies</td>
</tr>
<tr>
<td></td>
<td>Deferred income taxes</td>
</tr>
<tr>
<td></td>
<td>Increase in notes and accounts receivable</td>
</tr>
<tr>
<td></td>
<td>Increase in inventories</td>
</tr>
<tr>
<td></td>
<td>Increase in other current assets</td>
</tr>
<tr>
<td></td>
<td>Increase (decrease) in trade notes and accounts payable</td>
</tr>
<tr>
<td></td>
<td>Increase (decrease) in income taxes payable</td>
</tr>
<tr>
<td></td>
<td>Increase in other current liabilities</td>
</tr>
<tr>
<td></td>
<td>Decrease in accrued retirement and pension costs</td>
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<tr>
<td></td>
<td>Other</td>
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<tr>
<td></td>
<td>Net cash provided by operating activities</td>
</tr>
<tr>
<td></td>
<td>Investing activities:</td>
</tr>
<tr>
<td></td>
<td>Purchase of fixed assets</td>
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<tr>
<td></td>
<td>Purchase of investment securities</td>
</tr>
<tr>
<td></td>
<td>Proceeds from sales of property, plant and equipment</td>
</tr>
<tr>
<td></td>
<td>Proceeds from sales and redemption of investments</td>
</tr>
<tr>
<td></td>
<td>Acquisition of business, net of cash acquired</td>
</tr>
<tr>
<td></td>
<td>Increase in finance receivables</td>
</tr>
<tr>
<td></td>
<td>Collection of finance receivables</td>
</tr>
<tr>
<td></td>
<td>Net (increase) decrease in short-term loan receivables from affiliated companies</td>
</tr>
<tr>
<td></td>
<td>Net (increase) decrease in time deposit</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td>Net cash used in investing activities</td>
</tr>
<tr>
<td></td>
<td>Financing activities:</td>
</tr>
<tr>
<td></td>
<td>Proceeds from issuance of long-term debt</td>
</tr>
<tr>
<td></td>
<td>Repayments of long-term debt</td>
</tr>
<tr>
<td></td>
<td>Net increase in short-term borrowings</td>
</tr>
<tr>
<td></td>
<td>Payments of cash dividends</td>
</tr>
<tr>
<td></td>
<td>Proceeds from treasury stock</td>
</tr>
<tr>
<td></td>
<td>Proceeds of noncontrolling interests</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td>Net cash provided by financing activities</td>
</tr>
<tr>
<td></td>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
</tr>
<tr>
<td></td>
<td>Net increase (decrease) in cash and cash equivalents</td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents, beginning of year</td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents, end of year</td>
</tr>
</tbody>
</table>

### Notes

- Cash paid during the year for:
  - Interest: 11,493
  - Income taxes net of refunds: 58,510

### Consolidated Segment Information

#### Reporting segments

<table>
<thead>
<tr>
<th>Year ended March 31</th>
<th>(In millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Farm &amp; Industrial Machinery</td>
</tr>
<tr>
<td></td>
<td>Revenues</td>
</tr>
<tr>
<td></td>
<td>Interest</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

#### Operating income

- Intersegment: 198,869
- Nonsegment: 24,816
- Total: 223,685
- Identifiable assets at March 31, 2014: 1,584,062
- Depreciation and amortization: 25,272
- Valuation loss on other investments: 741
- Capital expenditures: 36,541

### Revenues from external customers by product groups

<table>
<thead>
<tr>
<th>Year ended March 31</th>
<th>(In millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Farm Equipment and Engines</td>
</tr>
<tr>
<td></td>
<td>Construction Machinery</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>Operating income</td>
</tr>
</tbody>
</table>

### Geographical information

<table>
<thead>
<tr>
<th>Year ended March 31</th>
<th>(In millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Japan</td>
</tr>
<tr>
<td></td>
<td>North America</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
</tr>
<tr>
<td></td>
<td>Asia outside Japan</td>
</tr>
<tr>
<td></td>
<td>Other Areas</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

Please refer to Annual Securities Report for the detailed financial information.
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 handled asbestos in the past, KUBOTA needs to continue tackling this problem with sincerity in the future.

As of March 31, 2014 relief payments had been made to 265 individuals pursuant to the internal policy of the "Relief Payment System for KUBOTA employees, including those already retired, suffering from asbestos-related diseases comprised a total of 190 persons as of March 31, 2014, of whom 172 are deceased and 18 are undergoing treatment.

KUBOTA has provided financial support for clinical and basic research projects conducted by Hyogo College of Medicine. The KUBOTA employees suffering from asbestos-related disease comprised a total of 190 persons as of March 31, 2014, of whom 172 are deceased and 18 are undergoing treatment.

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Initiatives to Improve Customer Satisfaction

The KUBOTA Group aims to satisfy customers and gain their trust by providing compelling products and services tailored to their needs. The KUBOTA Group engages in R&D and strives to polish technical skills in order to ensure product features and quality are worthy of the Made by KUBOTA brand.

R&D and Technical Skill Training for Customer Satisfaction

R&D Creates New Value through the Fusion of Mechatronics and IT

IT-based services are spreading to various areas of society. As an aim of development, KUBOTA offers administrative and management services that combine mechatronics and IT. Beginning with these developments, KUBOTA aims to provide valuable new products and services that bring more satisfaction to its customers through groundbreaking R&D that will unearth issues and needs that even customers do not realize.

R&D Creates New Value through the Fusion of Mechatronics and IT

To keep up with the globalization of business, customers are rapidly going global. It is not possible to completely satisfy customer needs for how to increase product sales or how to locally develop new products and manufactured in Japan, KUBOTA has put in place local R&D centers in order to accurately grasp customer needs and rapidly develop new products. For example, North America is the main market for riding lawn mowers, so we shifted our development base to the United States. Products developed mainly by local researchers became popular hits for aligning with customer needs. We will promote the development of products that customers truly like by conforming to the cultures, customs and climate of each country and region around the world.

Regional Marketing and Product Development

KUBOTA has technologies that span a variety of fields as a result of constantly addressing the expectations of society throughout time. To contribute globally and leverage our comprehensive capabilities in the fields of food, water and the environment, which are essential for the continuation of the human race, we must cross business boundaries and take development to the next level. At its technology research presentations, KUBOTA assembles engineers from across the Group, including overseas companies, to facilitate interaction and information sharing.

Sharing Technical Information

R&D to Create New Value through the Fusion of Mechatronics and IT

In Japan, new needs have been emerging in agriculture with the transition to larger, more efficient farms and growth industry against a backdrop of aging farmers and changes in government agricultural policies. KUBOTA has increased agricultural efficiency by accurately tracking with GPS the speed and location of tractors in fields that are challenging to navigate due to uneven ground and quagmires, enabling the even application of fertilizer without waste.

While public works budgets are revised, concerns have arisen about the need to repair aging social infrastructure that have a direct impact on communities. KUBOTA conducts R&D into efficient updating of water pipeline networks, such as new technologies that enable the automatic creation of pipe layout maps using GPS and the automatic connection of piping using machines.

Improving New Employee (Trainee) Education

Under the policy of "no manufacturing without human resource development," KUBOTA is committed to the education of 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 Saka, and Hikarita in Osaka. The training program is mainly comprised of "technical and skill training," "practical training at production line" 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.

Establishment of the "5-Gen Dojo" Overseas

Amid the rapid globalization of manufacturing bases, KUBOTA established the first overseas "5-Gen Dojo" in the United States for the purpose of spreading throughout the world the "5-Gen" principle, a philosophy of constant improvement in employee training and at manufacturing sites. As a place to learn about the "5-Gen" principle, the new facility plans to accept students from Canada and Europe in addition to the United States. With the global localization of production, KUBOTA will make sure that each base around the world conforms to KUBOTA manufacturing standards to ensure safety, environment, quality, cost and delivery (SEQCD) worthy of the Made by KUBOTA brand.

* "5-Gen" principle = Gen-ba (Actual Site), Gen-butsu (Actual Things), Gen-jitsu (Actual Facts), Gen-ri (Principles) and Gen-soku (Basic Rules) for ongoing improvement.

Recall of medium-duty tractors
(total of 218 tractors in six models)
Recall number: 3332
Recall start date: March 27, 2014

Recall of KL-Z tractors
(total of 7,447 tractors in nine models)
Recall number: 3392
Recall start date: July 24, 2014

For further information, see Japanese only
http://www.kubota.co.jp/important/index.html

KUBOTA Group Technical Skill Contests

The KUBOTA Group holds the KUBOTA Group Technical Skill Contest with the aim of fostering a sense of unity and improving technical skills across the Group. At the event in fiscal 2014, 201 contestants tested their technical skills in 14 categories, including lathe, welding, and machine maintenance. In addition to competing against each other, the contest served as an opportunity to evaluate the skill levels of each base and encourage the contestants to sharpen their skills even further. The contests improve the manufacturing capabilities of each base while spreading these skills across the entire Group.
Quality and Services to Improve Customer Satisfaction

Initiatives to Improve Quality and Small Group Activities

Amid global business development, KUBOTA introduces and utilizes scientific methods such as Design Review Based on Failure Mode (DFMB)\(^1\) and quality engineering\(^2\) to win customer satisfaction and ensure product quality (functions, performance and reliability) under various operating conditions. We aim to ensure product safety and superior quality by further advancing these scientific methods.

KUBOTA promotes small group activities that lead to improvements in personnel training and workplace vitality. Every year, a small group activity award presentation event is held with representative circles, and the winning circle describes its results at presentations held inside and outside Japan. In 2013, KUBOTA won the Excellence Award at the International Convention on QC Circles held in Taipei, Taiwan. We will continue to invigorate small group activities and train personnel to equip them with the technical skills and technologies that will earn the trust of customers.

Bolstering Global Procurement Capabilities

Procurement at overseas production bases has risen sharply in accordance with the rapid globalization of business. The KUBOTA Group strives for optimal regional procurement by building a supplier network around the world. We aim to strengthen competitiveness by improving quality and productivity through measures to organize major suppliers. Through these activities, we aim to enhance the skill sets of procurement managers at KUBOTA bases. We will continue to make the KUBOTA brand worthy of the trust placed in us by customers around the world.

Initiatives to Address Conflict Mineral Problem (CSR Procurement)

KUBOTA addresses the problem of conflict minerals as a part of its CSR activities. Conflict minerals are a problem facing global society. Of the tantalum, tin, tungsten and gold produced in the Democratic Republic of the Congo and neighboring countries, these conflict minerals are those that act as a source of funds for armed insurgents, many of whom have repeatedly committed inhumane acts of violence. KUBOTA prohibits the use of conflict minerals. If it is discovered that conflict minerals are being used, KUBOTA promptly takes steps to discontinue their use. We seek mutual understanding with our suppliers, which are a part of the supply chain,\(^1\) and request their cooperation in surveys and audits conducted by Group companies.

\(^1\) Supply chain: The process of procuring raw materials to make products that are delivered to consumers.

Status of ISO9001 Certification (as of April 1, 2014)

<table>
<thead>
<tr>
<th>Department Office</th>
<th>Main products</th>
<th>Mail order</th>
<th>Certifying body</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm &amp; industrial machinery</td>
<td>Tractors, Farm machinery, Construction machinery</td>
<td>1984.06</td>
<td>LRQA</td>
</tr>
<tr>
<td>Materials</td>
<td>Metal, Plastic, Rubber, Chemicals, Petrochemicals</td>
<td>1993.03</td>
<td>LRQA</td>
</tr>
<tr>
<td>Electronic equipment</td>
<td>Electronic equipment</td>
<td>2003.09</td>
<td>DNV</td>
</tr>
</tbody>
</table>

Affiliates in Japan

<table>
<thead>
<tr>
<th>Affiliated companies</th>
<th>Scope of certification</th>
<th>Mail order</th>
<th>Certifying body</th>
</tr>
</thead>
<tbody>
<tr>
<td>KUBOTA Precision Machinery Co., Ltd.</td>
<td>Design, development and manufacture of hydraulic valves, hydraulic cylinders for agricultural and construction machinery, manufacture of hydraulic pumps, roll forging machine, hydraulic motor for construction machinery.</td>
<td>2007.04</td>
<td>LRQA</td>
</tr>
<tr>
<td>KUBOTA-C.I. Co., Ltd.</td>
<td>Design, development and manufacture of hydraulic valves, hydraulic cylinders, hydraulic motors, pumps for farm and industrial machinery.</td>
<td>1995.04</td>
<td>JUSE</td>
</tr>
<tr>
<td>KUBOTA Pipe Tech Co.</td>
<td>Design, construction and construction management of various pipelines, etc.</td>
<td>2003.02</td>
<td>JQA</td>
</tr>
<tr>
<td>Water Technology Institute Ltd.</td>
<td>Design and development of packaged wastewater system for water supply business.</td>
<td>2004.04</td>
<td>JQA</td>
</tr>
<tr>
<td>KUBOTA Environmental Service Co., Ltd.</td>
<td>Design, construction, maintenance, and servicing of plants for water supply systems, sewage systems, domestic wastewater treatment, rainwater treatment, etc.</td>
<td>2003.02</td>
<td>MSA</td>
</tr>
<tr>
<td>KUBOTA-KAM Company</td>
<td>Design, construction and operation of environmental conservation plants.</td>
<td>2003.01</td>
<td>BCJ-SAR</td>
</tr>
<tr>
<td>KUBOTA Air Conditioner Co., Ltd.</td>
<td>Design, development, and manufacturing of air-conditioning equipment.</td>
<td>2002.03</td>
<td>JQA</td>
</tr>
<tr>
<td>KUBOTA Systems, Inc.</td>
<td>Design, development, and manufacture of network structures and ancillary services.</td>
<td>1997.05</td>
<td>BS-2</td>
</tr>
<tr>
<td>Niagara Kesco Co., Ltd.</td>
<td>Design, development, and supply of cleaning services for buildings and facilities.</td>
<td>2002.03</td>
<td>JQA</td>
</tr>
</tbody>
</table>

Key to the abbreviation of certifying bodies

| LRQA : Lloyd's Register Quality Assurance Ltd. | JQA : Japan Quality Assurance Organization |
| MSA : Management System Assessment Center | JQA : JQA Quality Assurance Ltd. |
Creating a Rewarding and Vibrant Work Environment

KUBOTA takes a variety of measures to make workplaces where employees can work safely, securely and in a healthy way. We focus these efforts on maintaining work-life balance, mental health and occupational health and safety.

Creating a Safe Workplace for All Employees

Omnipolar Safety Initiatives

KUBOTA’s Basic Policies on Safety and Health were formulated in April 2013 to ensure all employees involved in business activities understand that “Safety is our First Priority.” The KUBOTA Group makes sure all of its employees have safe and secure workplaces.

The 9th KUBOTA Group Long-term Industrial Accident Reduction Plan aims to eliminate accidents that result in lost work time as one of its goals. To realize this goal, KUBOTA continued in fiscal 2015 to invest in safety measures and equipment based on Equipment Safety Improvement Guidelines. KUBOTA has also incorporated Basic Guidelines for Human Safety into our personnel training program.

Making Equipment Safer

In fiscal 2014, KUBOTA created the Equipment Safety Improvement Guidelines for investment in equipment and safety measures, identifying six categories of risk for serious injury involving the melting process, contact with heavy objects, falling from high places, contact with vehicles, wedging in presses, and harmful substances.

In fiscal 2015, KUBOTA plans to continue investing in equipment based on the Equipment Safety Improvement Guidelines. We will also create new guidelines that address four risks: (1) wedging and entanglement in machinery, (2) flying and falling objects, (3) electrocution and electrical burns, and (4) fire and explosions.

Personnel Training Based on KUBOTA Group Safety-Conscious Employees

Since fiscal 2014, the KUBOTA Group has been promoting efforts to raise awareness of safety among employees. In fiscal 2015, we defined the type of person who is a safe person, behaving in ways that always protect themselves and others. We also created the Basic Guidelines for Human Safety as a set of fundamental rules and manners for safety and focused on improving awareness of safety among all employees of the KUBOTA Group, both inside and outside Japan. KUBOTA will continue to educate employees at its business sites around the world about how to recognize danger and rely on their KYT (how to sense danger training) to improve their ability to avoid danger.

Creating a Physically and Mentally Healthy Work Environment

Efforts To Promote Mental Health

Based on the KUBOTA Group Safety and Health Guidelines, we have formulated KUBOTA Mental Health Improvement Targets, and offered consultation services with medical staff to assist with analyzing work-related stress and learning more about taking care of oneself, as an opportunity to recognize one’s own stress levels and learn how to deal with this stress. We also trained managers and supervisors on how to care for the health of their line workers with the aim of detecting early on and preventing mental health issues for the managers and supervisors as well as their line workers.

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 to enable employees to work in a manner that is in harmony with their private lives. Its efforts along these lines were officially recognized, leading to receipt of the “Kurumin” mark (Next Generation Recognition Mark) in 2009, 2011 and 2013.

Status of male employees using the childcare leave program

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0.17</td>
<td>0.20</td>
<td>0.22</td>
<td>0.23</td>
</tr>
<tr>
<td>2011</td>
<td>0.20</td>
<td>0.22</td>
<td>0.24</td>
<td>0.25</td>
</tr>
<tr>
<td>2012</td>
<td>0.23</td>
<td>0.25</td>
<td>0.27</td>
<td>0.28</td>
</tr>
<tr>
<td>2013</td>
<td>0.26</td>
<td>0.28</td>
<td>0.30</td>
<td>0.31</td>
</tr>
</tbody>
</table>

* Acquisition of the “Kurumin” mark requires certification based on plans created every two to five years. KUBOTA receives this certification based on plans created every two years.

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

The two-year period between April 1, 2013 and March 31, 2015

- Enhance the childbirth leave program for female employees
- Continue the campaign to encourage male employees to use the childcare leave program

Initiatives to Make Sure Employees Use Vacation

We encourage employees to use their paid vacation days from the standpoint of maintaining their mental health and physical health, preventing overwork, and striking a work-life balance. KUBOTA aims to be a company where employees work with enthusiasm while achieving harmony between their work and private lives.

Encouragement Methods

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

Specific Measures

1. Set achievable targets Company-wide for the three-year period from fiscal 2015 to 2017
2. Conduct KYT training designed to improve awareness of company-wide issues, such as work safety and networking information about taking paid vacation
3. Educate employees with data on work, voluntary work and create manual to promote communication about taking paid vacation

Encouragement Methods
Respecting Human Rights and Promoting Diversity

Raising Awareness of Human Rights

In line with the Code of Conduct of the KUBOTA Group shown below (excerpts), the Group makes efforts to raise awareness of human rights in Japan and overseas, respect international human rights guidelines, and ensure thorough compliance with relevant laws in the respective countries and regions.

**Code of Conduct (excerpts)**

- *We support the Universal Declaration of Human Rights, and respect the human rights of all people.*
- *We do not discriminate or violate human rights on the basis of nationality, race, age, gender, or for any other reason whatsoever.*
- *We do not permit forced labor or child labor, and also request our business partners for compliance in this regard.*

Having established the Human Rights Advancement Planning & Coordination Committee in Japan, we are creating a system where all employees receive human rights training based on the action guidelines of the committee, with the ultimate aim of fostering a corporate culture that values people. KUBOTA promptly responds to inquiries received via a consultation system available at all of its bases, including overseas. Managers of consultation services in Japan receive training once a year to improve their counseling ability. In addition, KUBOTA reviews background checks, such as credit checks, once a year to look for any improper practices from the standpoint of respecting human rights and protecting privacy.

K-Wing Activities

KUBOTA proactively supports the Kubota Women’s Initiative Diversity Network & Group (K-Wing), a network for female employees, and participates in outside forums. The number of women in managerial positions has increased every year, rising from 24 in 2009 to 56 in 2014 (as of April). KUBOTA supports women at work through female employee networks inside and outside the Company.

- **Participating Forums:**
  ① The 10th Women’s Networking Forum in OSAKA 2013
  ② Young Women’s Career Design Forum
  ③ The 9th Women’s Networking Forum in Tokyo

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 aims of seeking to promote the independence of persons with disabilities and their coexistence with local communities, as well as using abandoned fields to support the stimulation of agriculture in Japan. The vegetables produced by the company are not only used by the cafeterias at KUBOTA business sites in Japan and sold internally, but are also marketed in supermarkets in Osaka Prefecture.

Maximizing our Human Resources with Appointments and Training to Support Global Business Development

Creation and Dissemination of KUBOTA Global Personnel Management Policy

Based on the KUBOTA Global Identity, its corporate philosophy, KUBOTA has created the KUBOTA Global Personnel Management Policy as its basic policy for personnel management across the Group. The policy covers a total of five categories that are important in the management of personnel: hiring, training, evaluation, compensation, and the type of person sought after the KUBOTA Group.

Global Human Resources Conference Held

The Global Human Resources Conference was held for the first time with the heads of human resource departments from overseas affiliates.

Attendance of the conference discussed the Global Human Resource Management Policy, shared information about each other’s personnel systems, and debated personnel policy within the context of globalization.

The conference served as an opportunity to forge stronger connections between the heads of human resource departments at overseas affiliates and address personnel issues arising from the globalization of business.

Foreign Language Training for New Hires

Since fiscal 2003, KUBOTA has helped young employees improve their foreign language skills and adaptability to foreign cultures by offering about one month of foreign language training to all new employees.

Since fiscal 2013, KUBOTA has continued to improve these programs, by dispatching employees overseas after having learned basic English skills in Japan, and creating new programs for employees with foreign language skills above a certain level.

Expanding the Overseas Trainee System

Since 1997, KUBOTA has dispatched a number of employees overseas each year for training purposes. We plan to send more employees overseas in FY2014 as a part of efforts to foster global human resources.

As one of the most effective policies for fostering global personnel, KUBOTA will continue to dispatch employees overseas in 2014.
Social Report

Personnel Policies and System (KUBOTA)

1. Basic Personnel Policy

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

2. Personnel System

Basic Idea of Personnel System Operations

Equal opportunity
Each employee can strive to attain any role or position.

Right person for the right job
Aim to place the right person in the right job based on their abilities and ambitions

Main Points of Personnel System

- There are three career paths comprising expert positions, staff positions and technical positions for different roles and responsibilities. The personnel system separates personnel training, assignments and compensation for each of these career paths.
- Employees can change career paths based on their abilities and ambitions.

<table>
<thead>
<tr>
<th>Career paths</th>
<th>Expert positions (management class)</th>
<th>Staff positions (administration and general class)</th>
<th>Technical positions (technical class)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition of personnel (main roles)</td>
<td>People that drive the business, solve problems that arise in operations, and exhibit a high level of performance based on their willingness to take on challenges, advanced expertise, and extensive experience and knowledge.</td>
<td>People that contribute to the business, take on challenges for their own growth, and take on broad responsibilities, especially work that requires expertise, creativity and experience, while aiming to establish a field of expertise.</td>
<td>People that are in charge of work responsibilities, supervise and nurture subordinates, and achieve work objectives.</td>
</tr>
<tr>
<td>Training and education</td>
<td>Department and section head class: management training</td>
<td>Specialized training for specific objectives. People that can choose on their own from a curriculum of about 140 courses of varying difficulty and subject matter.</td>
<td>Rank-based training to improve technical skills and quickly foster supervisors with a particular focus on training in the “5-Gem” principles.</td>
</tr>
<tr>
<td>Evaluations</td>
<td>Employees set targets with their bosses at the start of the year. Meetings are held during the year to evaluate progress toward these targets, followed by a self-evaluation and a review meeting at the end of the year.</td>
<td>Some evaluations also follow the framework on the left.</td>
<td>—</td>
</tr>
<tr>
<td>Rotation</td>
<td>The work responsibilities of each employee are reviewed periodically, while taking into consideration workplace needs and their preferences, to avoid having employees perform the same work for too long a period.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ranking*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>Monthly salaries are reviewed every year until the age of 58 (56 for expert positions). Each ranking has upper and lower limits to monthly salary.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonuses</td>
<td>Bonuses are designed to reflect consolidated performance, affiliated business performance, and individual performance.</td>
<td>Bonuses are designed to reflect individual performance and bonus amounts are set as standards in annual management negotiations.</td>
<td></td>
</tr>
<tr>
<td>Retirement benefits</td>
<td>Retirement benefits are based on a points system that reflects rank, years of service, and evaluation.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The basis upon which compensation is determined

Fostering a CSR Mindset

Activities to Instill the Corporate Philosophy

To raise awareness of our new corporate philosophy, the KUBOTA Global Identity that was penned in October 2012, training sessions were held at each base around the world from July 2013 to March 2014. At the training sessions, employees listened to an explanation of the corporate philosophy, watched a DVD about the founder and history of KUBOTA, and then discussed their feelings and opinions. We plan to continue these training sessions to foster awareness of the problems we are trying to solve in the fields of food, water and the environment as a group of 30,000 employees.

CSR Forum for Management

In December 2013, we held the CSR Forum for managers, which was attended by a total of 113 directors, presidents of Group companies, and other managers. At the CSR Forum, we welcomed Etsuhiro Hosoda from Canon Marketing Japan Inc. as a guest speaker to talk about the pulse of CSR within the context of businesses responding to the changing demands and expectations of society (stakeholders), as well as CSR branding as a competitive advantage that expresses the distinguishing aspects of a corporation that integrates business with CSR.

We will continue promoting CSR management and the building of our corporate brand by creating opportunities to deepen the understanding of CSR among employees and managers responsible for its promotion.

CSR Awareness Survey for Employees

In July and August 2013, we surveyed KUBOTA Group employees in Japan about their awareness of CSR, and approximately 6,400 people took the survey. With a much larger sampling of survey takers and content, we were able to ascertain their awareness and understanding of the corporate philosophy, code of conduct, CSR management and compliance. In the free comment section, many survey takers wrote positive ideas about improving the KUBOTA Group. We plan to continue conducting the CSR survey every year with the same questions to help increase employee awareness and identify areas for continued improvement as a company.

Compilation of answers to key questions in an employee CSR awareness survey

- Do you know that our mission is to help solve problems related to food, water and the environment? What do you think you can do to help? (23% 66% 11% 1%)
- Do you know a lot about the KUBOTA Hot Line system? (11% 66% 25% 19%)
- Do you communicate your workplace good, with people greeting each other every day? (24% 45% 16% 15%)
Contributing to International and Local Societies

The KUBOTA Group aims to coexist with society as a good corporate citizen, building relationships of trust through communication with local communities through respect for the culture and customers of each country and region.

The KUBOTA e-Project

In an effort to contribute to society in the areas of food, water and the environment, the KUBOTA Group commenced the KUBOTA e-Project in 2008. The KUBOTA Group promises to continue supporting the prosperous life of humans while protecting the environment of this beautiful earth. Through this promise to everyone, we seek the understanding and cooperation of stakeholders as we contribute to the creation of a sustainable society.

Support for the restoration of abandoned farmland

We support efforts to restore abandoned farmland throughout Japan by offering agricultural machinery.

KUBOTA GENKI Agriculture Experience Workshop

This program aims to deepen understanding of agriculture and provide educational opportunities through rice growing agricultural experiences such as rice transplanting and harvesting as well as testing the harvested rice.

Developing regional brands and advertising farm fresh crops

We make every possible effort to expand opportunities to generate awareness of fresh and processed food products that are the pride of each region of Japan.

Introduction of the activities of visionary farmers

We introduce the activities of farmers with visions about agriculture that coexist harmoniously with the regional environment.

Improving global water environments

We make every possible effort to reduce the number of people who do not have access to safe water. To this end, we support the construction of wells in India being undertaken by the Japan Asian Association and Asian Friendship Society, both of which have been active in Asia for many years.

Overseas Social Contribution Activities

The KUBOTA Group engages in a wide variety of activities at its overseas bases to give back to the community. Through donations, tree planting, and disaster relief, we aim to be a company with strong grass-roots support.
Support for Revitalization and Reconstruction of Areas Affected by Natural Disasters

The KUBOTA Group helps farmers with agricultural management and farmland revitalization, supports the creation of lively communities through the appeal of agriculture, and assists agricultural high schools.

Social Report

The KUBOTA Group has continued to offer special classes about the direct sowing of iron-coated seeds to the students of agricultural high schools in Miyagi Prefecture and Iwaki Agricultural High School. The students learn about the techniques, we support these young students as leaders of the reconstruction of agriculture in the Tohoku region.

Volunteer activities by new employees

Miyako
Kamaishi
Motomiya
Minamisanriku
Ishinomaki
Natori
Koriyama
Iwaki
Miyagi
IWATE
Volunteer activities

Minamisanriku
Rikuzentakata
Ishinomaki
Natori

KUBOTA Group lent its support for the development of new farmland through the restoration of abandoned agricultural areas in answer to a call from local residents working to revitalize the area. KUBOTA also cooperates with NPOs working to create spaces for residents of temporary housing to get to know each other better. In Iwaki City, we have provided support for buckwheat noodle-making events with temporary housing residents in Naraha Town.

Support for buckwheat harvesting and reconstruction support

Supporting opportunities for residents in temporary housing to interact via buckwheat noodle-making events

KUBOTA also cooperates with NPOs working to create spaces for residents of temporary housing to get to know each other better. In Iwaki City, we have provided support for buckwheat noodle-making events with temporary housing residents in Naraha Town.

Support for disaster-affected areas by eating and drinking regional specialties

At internal events, we make an effort to provide refreshments made in the Tohoku region. Social events that take place at the Head Office are designed to support disaster-affected areas by eating, drinking and buying products from these areas in order to promote goodwill toward the people of the affected areas. In the past, we have served seafood from Sanriku, boutique sake from Rikuzentakata, and other specialties from Fukushima.

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Volunteer activities

In Kamaishi City, Iwate Prefecture, we helped locals turn abandoned farmland into grape fields. Local residents have been working hard to invite the 2019 Rugby World Cup and revitalize Kamaishi through celebrations with wine. We hope the region will regain its vitality.

Support for buckwheat harvesting and reconstruction support

In Rikuzentakata City, Iwate Prefecture, KUBOTA provided assistance for the buckwheat harvest as a way to support agricultural associations that lost agricultural machinery to the tsunami. These agricultural associations plan to expand farmland and grow rice (buckwheat noodle) in the region. We will continue to support people working to restore agriculture in areas affected by the natural disaster.

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At internal events, we make an effort to provide refreshments made in the Tohoku region. Social events that take place at the Head Office are designed to support disaster-affected areas by eating, drinking and buying products from these areas in order to promote goodwill toward the people of the affected areas. In the past, we have served seafood from Sanriku, boutique sake from Rikuzentakata, and other specialties from Fukushima.

Supporting opportunities for residents in temporary housing to interact via buckwheat noodle-making events

KUBOTA also cooperates with NPOs working to create spaces for residents of temporary housing to get to know each other better. In Iwaki City, we have provided support for buckwheat noodle-making events with temporary housing residents in Naraha Town.
Environmental Report

Environmental Management Basic Policy

With “For Earth, For Life” as our Brand Statement, the KUBOTA Group continues to support the creation of abundance in people’s lifestyles while protecting the beautiful global environment. As a sustainable company, KUBOTA supports the creation of a sustainable society by working to find solutions to problems in the fields of food, water, and the environment through our business activities.

The KUBOTA Group Environmental Charter

- The KUBOTA Group aspires to create a society where sustainable development is possible on a global scale.
- The KUBOTA Group contributes to the conservation of global and local environments through its environmentally friendly operations, products, and technologies.

The KUBOTA Group Environmental Action Guidelines

1 Environmental Conservation Efforts in All Business Activities
   (1) We promote environmental conservation measures in all stages of our corporate activities, including product development, production, sales, physical distribution, and service.
   (2) We also request that our suppliers understand the importance of environmental conservation efforts and cooperate in this regard.

2 Global Environmental Conservation
   (1) We promote global environmental conservation measures for stopping climate change, creating a recycling-based society, and controlling chemical substances.
   (2) We promote global environmental conservation by providing technologies and products contributing to solving environmental problems.

3 Environmental Protection to Create a Symbiotic Relationship with Local Societies
   (1) We make efforts in the reduction of environmental risks and promote our business activities with proper consideration for the protection of local environments, including pollution prevention.
   (2) We actively participate in environmental education/education activities in local communities.

4 Our Voluntary and Organized Efforts in Environmental Conservation
   (1) By introducing the environmental management system and establishing voluntary targets and action plans, we work on our daily business operations.
   (2) We endeavor to enhance environmental awareness through active environmental education/enlightenment activities.
   (3) We actively provide the stakeholders with environment-related information.
   (4) We collect stakeholders’ opinions broadly through environmental communication, and reflect the findings in our environmental activities.

Message from the Environmental Conservation Control Officer

The KUBOTA Group has made it our mission to solve problems in the fields of food, water, and the environment and contributes to the conservation of the global environment through “Made by KUBOTA” manufacturing activities. Since FY2014, management has endeavored to further strengthen environmental management by guiding the implementation of measures to update our environmental management promotional structure, reduce environmental loads and environmental risks, and expand a line-up of environmentally friendly products. In June 2014, KUBOTA made a commitment to work towards our new targets to the Japanese Environment Minister, and was recertified as an “Eco-Friendly Company”. On this occasion, we would like to improve our environmental communications with our customers, employees and other stakeholders in a bid to enhance our brand value. The KUBOTA Group will unify our efforts to help conserve the global environment.

Senior Managing Executive Officer
GM of Quality Assurance & Manufacturing Headquarters
(Environmental Conservation Control Officer)
Kenshiro Ogawa

Basic Direction of Corporate Environmental Management

As the basic direction of the environmental management of the KUBOTA Group, we established these three items.

- Stop Climate Change
- Work Towards a Recycling-Based Society
- Control Chemical Substances

Key measures

Based on the Basic Direction of Corporate Environmental Management, the KUBOTA Group engages in environmental management with key measures focused on manufacturing and products.

Manufacturing
- Reduce CO2 emissions
- Reduce waste
- Reduce water usage
- Reduce VOC emissions
- Use substitutable substances

Products
- Reduce CO2 emissions in production
- Reduce product weight
- Use substitutable materials
- Reduce exhaust gas emissions
- Reduce noise pollution

Environmental Communication
- Enhance training of all employees in environmental management
- All employees participate in environmental conservation activities
- Increase release of information to stakeholders and improve two-way communications

Environmental Management System
- Zero emissions
- Reduction in industrial waste
- Division of recyclable products
- Improvement in usage ratio of recycled materials, etc.

Work Towards a Recycling-Based Society
- Reduction in use of chemical substances
- Development and usage of substitute materials
- Promotion of detoxification
- Conservation of the global environment (pollution prevention)

Sustainable Society
- Energy conservation
- Conversion from usage of fossil fuels
- Expanded usage of renewable energy
- Reduction in product weight
- Reduction in product energy consumption during use, etc.

Environmental Management System
- Measurement of environmental loads
- Analysis of environmental loads
- Formulation of medium-term environmental conservation targets and systematically reduce environmental loads.

Environmental Management
- Strengthen compliance through globally systematized environmental conservation rules
- Quantify environmental loads generated by business activities and conduct environmental impact assessments

Environmental Communication
- Enhance training of all employees in environmental management
- All employees participate in environmental conservation activities
- Increase release of information to stakeholders and improve two-way communications
**Environmental Management Promotion System**

In FY2015, the Environmental Management Strategy Committee was newly established to bolster and accelerate environmental management. By transitioning to a management-led promotional structure, we aim to take a more strategic and innovative approach to environmental management.

Environmental Manager Conferences, which had been held only in Japan, are held in China, Asia, North America and Europe to globally advance environmental management across the KUBOTA Group.

<table>
<thead>
<tr>
<th>Organization structure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board of Directors</strong></td>
</tr>
<tr>
<td><strong>Environmental Management Strategy Committee</strong></td>
</tr>
<tr>
<td><strong>Environmental Manager Conferences</strong></td>
</tr>
<tr>
<td><strong>Eco-products Certification Committee</strong></td>
</tr>
<tr>
<td><strong>Quality Assurance &amp; Manufacturing Headquarters</strong></td>
</tr>
<tr>
<td><strong>Environmental Protection Department</strong></td>
</tr>
<tr>
<td><strong>Sales offices</strong></td>
</tr>
<tr>
<td><strong>Service sites</strong></td>
</tr>
<tr>
<td><strong>Construction work sites</strong></td>
</tr>
<tr>
<td><strong>Operation and maintenance sites</strong></td>
</tr>
<tr>
<td><strong>Production sites</strong></td>
</tr>
</tbody>
</table>

**The KUBOTA Group environmental management system**

<table>
<thead>
<tr>
<th>Head Office</th>
<th>Divisions, business sites, group companies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate management plan</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Business plan</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Environmental management</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Environmental policy</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Environmental management standards</strong></td>
<td></td>
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<tr>
<td><strong>Environmental management manual</strong></td>
<td></td>
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<tr>
<td><strong>Environmental management audit</strong></td>
<td></td>
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<tr>
<td><strong>Environmental risk management</strong></td>
<td></td>
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<tr>
<td><strong>Environmental improvement target (KEDES)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Environmental improvement target assessment</strong></td>
<td></td>
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<tr>
<td><strong>Report</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Environmental management data assessment</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Environmental improvement through instructions and guidance</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Review and implementation of environmental conservation measures</strong></td>
<td></td>
</tr>
</tbody>
</table>

**FY2016 Medium-Term Environmental Conservation Targets**

The Results for FY 2014

The KUBOTA Group has created the FY2016 Medium-Term Environmental Conservation Targets in line with our Basic Direction of Corporate Environmental Management to systematically promote environmental conservation activities in each stage of manufacturing and product development. As presented below, results for FY2014 show that we are generally on track to achieve our targets for FY2016.

<table>
<thead>
<tr>
<th>Issues</th>
<th>Actions</th>
<th>Management Indicators</th>
<th>Scope</th>
<th>Base FY</th>
<th>Targets FY2016</th>
<th>Results FY2014</th>
<th>Achievement Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stepping climate change</td>
<td>Reduce CO₂</td>
<td>CO₂ emissions per unit of production*</td>
<td>Global production</td>
<td>2016</td>
<td>▲4%</td>
<td>▲5%</td>
<td>▲4%</td>
</tr>
<tr>
<td></td>
<td>Energy conservation</td>
<td>Energy use per unit of production</td>
<td>Global production</td>
<td>2016</td>
<td>▲1%</td>
<td>▲2%</td>
<td>▲1%</td>
</tr>
<tr>
<td></td>
<td>Working towards a recycling based society</td>
<td>Reduce waste</td>
<td>Waste disposal per unit of production</td>
<td>2016</td>
<td>▲50% or above</td>
<td>▲99.5%</td>
<td>▲99.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recycling ratio*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Controlling hazardous substances</td>
<td>Reduction of VOCs*</td>
<td>VOCs emissions per unit of production</td>
<td>Global production</td>
<td>2016</td>
<td>▲1%</td>
<td>▲1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Water consumption per unit of production</td>
<td>Global production</td>
<td>2016</td>
<td>▲31%</td>
<td>▲37%</td>
<td>▲31%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Water resource</td>
<td>Global production</td>
<td>2016</td>
<td>▲31%</td>
<td>▲37%</td>
<td>▲31%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recycling ratio*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improve environmental performance of products</td>
<td>Expanding eco-products</td>
<td>Sales ratio of Eco-Products*</td>
<td>Global</td>
<td>2016</td>
<td>▲47%</td>
<td>▲16%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

*1 VOCs comprise the six VOCs that are most prevalent in emissions from the KUBOTA Group, namely xylene, toluene, ethylbenzene, styrene, 1, 2, 4-trimethylbenzene, and 1, 3, 5-trimethylbenzene.

1) The figures per unit of production represent the intensity of the environmental load per unit of production money amount. The exchange-rate of the base fiscal year is used when translating the production value of overseas sites into yen.

2) CO₂ emissions include greenhouse gases from non-energy sources. We use the emissions coefficient for electricity of the base fiscal year in our calculation of CO₂ emissions from energy sources.

3) Resource recycling ratio (%) = (Sale volume of valuable resources + External recycling volume) / (Sale volume of valuable resources + External recycling volume + Landfill disposal + Reuse). Reuse recycling is included in external recycling volume.

4) Sales ratio of Eco-Products (%) = Sales of Eco-Products / Sales of products (excluding construction work, services, software, parts and accessories) × 100

5) Self-evaluation rating symbol: ◎ Target exceeded by at least 20%; ○ Target reached; □ Target not yet reached

Environmental Information in the online version of the KUBOTA REPORT 2014 has received the third-party assurance from KPMG AZSA Sustainability Co., Ltd. Indicators covered by this assurance are marked with the ◎ symbol.

As an “Eco-First Company”

In June 2014, the KUBOTA Group created the FY2016 Medium-Term Environmental Conservation Targets with a commitment to achieving the following five objectives, and was recertified as an “Eco-First Company.” The KUBOTA Group will aggressively work toward achieving these objectives based on this new commitment.

- Work towards a recycling-based society
- Stop climate change
- Reduce emission into the atmosphere
- Promote environmentally friendly products
- Conserve biodiversity

Access our website for further information about Eco-First Company

http://www.kubota-global.net/environment/eco-first
Business Activities of the KUBOTA Group that Aims to Contribute to Global Environmental Conservation

### Food
- Tractors
- Combine harvesters
- Rice transplanters
- Power tillers
- Rice-mills
- Engines

#### Stabilize food production
- Increase crop harvests
- Increase agricultural efficiency
- Reduce spray volume of agricultural chemicals
- Reduce fertilizer usage
- Control autoapplication of water
- Make exhaust gas cleaner

### Water
- Sanitary water supply
- Long-term stable water supply
- Multi-region water supply
- Treat and purify sewage
- Reuse water
- Treat and reduce volume of waste

### Environment
- Resource conservation and recycling
- Prevention of environmental pollution

Continue to support the future of the earth and humanity

### Secure food supplies
Safe and secure water supplies
Global environmental conservation

### The KUBOTA Group's Initiatives at Plants and Offices
- Conserve biodiversity
- Conserve energy
- Promote 3Rs of waste management
- Reduce water consumption
- Reduce VOC emissions

### Distribution
Water recycling amount: 80,400 thousand m³
Internal resource recycling amount: 26.3 kilotons

### Distribution
- Planning
- R&D
- Procurement
- Production
- Water recycling
- Distribution
- Installation
- Use
- Disposal
- Provide products

### Input
- Service water: 1.18 million m³
- Industrial water: 2.56 million m³
- Groundwater: 1.02 million m³
- Total: 4.76 million m³

### Major raw materials
- Cement: 5.9 kilotons
- New pig iron: 9.7 kilotons
- Band steel: 101 kilotons

### Chemical substances
- Volume of PRTR-designated substances handled:
  - Volatile organic compounds (VOCs): 663 kilotons
  - Sulfur oxides: 252 kilotons
- Amount of construction waste, etc. discharge: 98.2 kilotons

### Atmospheric emission
- CO2 (Energy sources): 663 kilotons
- NOx: 17.6 tons
- SOx: 9.2 tons

### Waste system discharge (Discharge water includes rain and spring water)
- Amount of waste discharge: 3.62 million m³
- COD: 10.9 tons
- NH3-N: 9.1 tons
- Phosphorus: 0.3 tons

### Chemical substances
- Volume of PRTR-designated substances in wastewater discharge:
  - VOCs: 462 tons
  - Chemical substances (overseas sites): 230 tons
- Volume of PRTR-designated substances in water system discharge:
  - VOCs: 186 tons

### FY2014 results
*indicates data concerning business sites in Japan
**Stopping Climate Change**

The fifth report issued by the Intergovernmental Panel on Climate Change (IPCC) states that there is little room for doubt about the global warming of climate systems and reports that human activity is highly likely to be a key driver behind climate change. The KUBOTA Group aims to reduce CO₂ emissions, mainly through measures to conserve energy, to contribute to stopping climate change.

**CO₂ Emissions (scope 1 and scope 2)**

In FY2014, CO₂ emissions stood at 663 kilotons CO₂ and increased 13.3% compared with the previous fiscal year. We made efforts to conserve energy by upgrading to highly efficient equipment and reducing unproductive use of energy, but the CO₂ emission coefficient for electricity worsened due to the earthquake and natural disaster in Japan, and CO₂ emissions increased overseas as a result of higher production volume. However, the CO₂ emissions per unit of sales decreased 9.1% compared to the previous fiscal year.

**CO₂ emissions by region (FY2014 results)**

In FY2014, CO₂ emissions stood at 663 kilotons CO₂ and increased 13.3% compared with the previous fiscal year. We made efforts to conserve energy by upgrading to highly efficient equipment and reducing unproductive use of energy, but the CO₂ emission coefficient for electricity worsened due to the earthquake and natural disaster in Japan, and CO₂ emissions increased overseas as a result of higher production volume. However, the CO₂ emissions per unit of sales decreased 9.1% compared to the previous fiscal year.

**CO₂ emissions by emission source (FY2014 results)**

In FY2014, CO₂ emissions stood at 663 kilotons CO₂ and increased 13.3% compared with the previous fiscal year. We made efforts to conserve energy by upgrading to highly efficient equipment and reducing unproductive use of energy, but the CO₂ emission coefficient for electricity worsened due to the earthquake and natural disaster in Japan, and CO₂ emissions increased overseas as a result of higher production volume. However, the CO₂ emissions per unit of sales decreased 9.1% compared to the previous fiscal year.

**Voice**

Introduction of Heating Systems that Use Waste Heat

The company has been producing agricultural machinery such as mowers since 1877. In 2013 the company has changed the heating system in the factory and offices from oil burners to district heating. 40 oil burners are replaced by 134 calorifiers. The calorifiers are supplied with hot water, supplied with waste water from an electricity plant in the nearest town. This investment will reduce our capacity cost, CO₂ emission and SOx. From 2015 we will only use oil in our hardening process.

**Trends in CO₂ emissions during distribution**

In FY2014, CO₂ emissions during distribution stood at 48 kilotons CO₂ and increased 8.8% compared to the previous fiscal year. However, CO₂ emissions during distribution per unit of sales decreased 9.1% owing to greater transportation efficiency from mixed cargo and the promotion of modal shift. (See page 62 for details.)

**Greenhouse Gas Emissions throughout Value Chain**

The KUBOTA Group makes concerted efforts to figure out greenhouse gas emissions throughout our value chain in addition to our business sites. Based on guidelines issued by the Japanese Ministry of the Environment, the KUBOTA Group calculates greenhouse gas emissions based on Scope 1, Scope 2 and Scope 3, and continues to expand the scope of our calculation of greenhouse gas emissions.

* Basic guidelines for calculating greenhouse gas emissions in supply chains

**Example Activities of Each Scope**

Scope 1: Direct GHG emissions from businesses themselves

- Company’s own facilities
  - Use of fuels
  - Emissions from industrial processes

Scope 2: Indirect emissions associated with the consumption of electricity, heat and steam supplied by others

- Transportation and treatment of generated waste
  - Use of products and goods

Scope 3: Other indirect emissions that occur in a Company’s value chain

- Transportation of goods
  - Use of products and goods

- Employee commuting
  - Business travel
Working towards a Recycling-based Society—Promotion of 3Rs

Resource depletion and insufficient space for landfill are just a few of the problems faced by a society based on mass production, mass consumption, and mass disposal. The KUBOTA Group makes every effort to reduce resources needed in our business activities and effectively use the resources we do need, while reducing waste and recycling resources.

Wastes from Business Sites

In FY2014, waste discharge amount was 98 kilotons, an increase of 8.9% from the previous fiscal year. However, waste discharge amount per unit of sales was reduced by 12.8%, reflecting higher consolidated net sales and cuts in the volume of effluent discharged due to the installation of wastewater treatment systems at an overseas business site.

Handling and Storage of Equipment Containing PCBs

Transformers, capacitors and other equipment containing polychlorinated biphenyls (PCBs) are properly delivered, stored and handled based on the Japanese Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes. Equipment containing PCBs are being disposed of steadily, being with sites for which acceptance at PCBs treatment facilities are available. Equipment containing PCBs are locked in storage, periodically inspected, and environmentally audited as part of a thorough management system. We plan to properly process these wastes by the waste treatment deadline of March 2027.

Amount of waste discharge by type (FY2014 Results)

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<thead>
<tr>
<th>Wastes from Business Sites</th>
<th>Overseas business sites</th>
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<tbody>
<tr>
<td>Wastes</td>
<td>Total waste discharge</td>
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<tr>
<td>Glass, concrete, pottery waste</td>
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</tr>
<tr>
<td>Scrap metal</td>
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</tr>
<tr>
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<td>8%</td>
</tr>
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</tr>
</tbody>
</table>
### Working towards a Recycling-based Society

--- Conservation of Water Resources

The Organization for Economic Cooperation and Development (OECD) has reported that more than 40% of the world’s population will live near river basins with severe water shortages by 2050. The KUBOTA Group aims to effectively use water resources by promoting the recycle of wastewater.

In FY2014, the KUBOTA Group’s water consumption amounted to 4.68 million m³, an increase of 4.0% from the previous fiscal year. However, water consumption per unit of sales was reduced by 16.5% owing to successful efforts to conserve water and recycle wastewater, and higher consolidated net sales.

### Controlling Chemical Substances

International frameworks are being created to minimize the adverse effects of chemical substances on human health and the environment. The KUBOTA Group appropriately controls chemical substances while striving to meet reduction targets.

In FY2014, VOC emissions totaled 646 tons, a year-on-year increase of 8.6%. However, VOC emissions per unit of sales were reduced by 12.8%, reflecting better coating efficiency and higher consolidated net sales.

In FY2014, release and transfer of PRTR-designated substances was 586 tons in FY2014, up 4.9% from the previous fiscal year, but reduced by 15.9% on a release and transfer per unit of sales basis.

### Groundwater monitoring

Results of groundwater measurements conducted on the premises of the businesses sites that used organic chlorine-based compounds in the past are as shown below.

<table>
<thead>
<tr>
<th>Business sites</th>
<th>Substance</th>
<th>Measured groundwater value</th>
<th>Environmental standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tsuchiura Plant</td>
<td>Trichloroethylene</td>
<td>Non-detected (Less than 0.0001 mg/L)</td>
<td>Less than 0.03 mg/L</td>
</tr>
<tr>
<td>Utsunomiya Plant</td>
<td>Trichloroethylene</td>
<td>Non-detected (Less than 0.0001 mg/L)</td>
<td>Less than 0.03 mg/L</td>
</tr>
</tbody>
</table>
Expanding Lineup of Environmentally Friendly Products

Based on the Eco-Products Certification System, an in-house certification of the environmental friendliness of products, the Group certified 35 Eco-Products in FY2014. We will continue to focus on reducing environmental impacts throughout the life cycle of its products.

Family Certification System for Eco-Products

Products that have achieved outstanding environmental friendliness by being the first of their kind, receiving high external evaluations, etc.

Products with high environmental friendliness that have fulfilled KUBOTA’s internal requirements.

Super Eco-Products

Stop climate change

Internal requirements for Eco-Products

- Energy saving (CO2 reduction)
- Reducing energy consumption during production, construction, use, etc.
- Resource saving
- Reducing material volume and mass of raw materials, etc.
- Recycling
- Using recycled plastics and raw materials, etc.
- Environmental friendliness
- Reducing environmentally harmful substances, etc.
- Safety
- Minimizing the product’s harmfulness as much as possible
- Information disclosure
- Noting about energy-saving operations, recycling, and disposal, etc.

Example of an Eco-Product label

3. Eco-Products feature a label that shows that certification as Eco-Products.

Products Certified as Eco-Products in FY2014 (excerpt)

**Energy Conservation**

<table>
<thead>
<tr>
<th>Energy Conservation in Agriculture from New Technique for Direct Sowing Iron-Coated Seeds</th>
</tr>
</thead>
</table>
| Although mechanization has reduced overall labor hours, the time it takes to raise seedlings remains a major obstacle to shortening the time required to plant rice fields. In 2005, the KUBOTA Group began working on a new technique for direct sowing iron-coated seeds with customers of Nippon Kubota Corporation. In 2010, KUBOTA launched Testakumashin as an implement for multi-purpose rice transplanters for sowing iron-coated seeds with high precision. Thereafter, KUBOTA also developed specialized equipment for sowing iron-coated seeds. The direct sowing of iron-coated seeds is a technique for sowing seeds coated with iron powder in a cultivated field. Compared with the transplant cultivation method, this technique eliminates the energy expended at rice seeding nurseries and reduces the labor time associated with raising seedlings and transplanting these seedlings to fields. The iron coating is less harmful than conventional coatings (copper generating agents) and allows work volume to be leveled out because the iron-coated seeds can be stored over long periods. The direct sowing of iron-coated seeds substantially reduces man hours per day by allowing work to be performed simultaneously and at high speed on the sowing of spaced seeds, fertilization, herbicide application and soil grooving. It is possible to reduce man hours per 10 acres by roughly 60% and production costs by about 36%.

**Palm Oil Mill Effluent Processing Helps Prevent Global Warming and Water Pollution**

Malaysia and Indonesia have many palm oil production plants, and post-extraction effluent used to be dumped into open lagoons. However, this mill effluent released methane (a greenhouse gas) into the atmosphere and polluted neighboring water resources through runoff. KUBOTA was able to realize the following three outcomes by introducing water treatment technologies that use our membranes and membrane-type methane fermentation technologies if accumulated processing sewage and food waste in Japan.

- Zero emissions of methane gas that had been released into the atmosphere
- Biogas generated by the mill effluent can be reliably extracted in high concentration and reused as fuel (*Biogas fuel is a form of renewable energy derived from plants.*)
- After biogas is collected, the mill effluent is processed to stringent wastewater standards

The first mill effluent processing facility installed in Malaysia has the capacity to recover 26 thousand cubic meters of biogas per day, which is used as fuel at an adjacent plant. This is equivalent to 5.7 million m³ of natural gas fuel annually, cutting CO₂-equivalent emissions by 85 thousand tons annually.

As this was our first project developed overseas on a fairly large scale, we had some problems that were not encountered with the prototype in Japan, so it was a relief when construction on the facility was completed and safely handed over to the customer in March 2014. The KUBOTA Group will continue to help solve environmental issues in Southeast Asia by aiming to expand the use of palm oil mill effluent processing facilities. In addition to palm oil mill effluent, we aim to find solutions to other environmental problems, such as growing demand for water and water pollution, in the upstream and downstream water treatment business.

Voice

Stop climate change

Use of Biogas

Eco-Products feature a label that shows that certification as Eco-Products.

Eco-Products feature a label that shows that certification as Eco-Products.

KUBOTA Corporation

Promotion Headquarters

Water & Environment Business

Biogas PT

Sourcless: Man hours and production costs for rice transplantation based on 2009 Nippon Agriculture, Forestry and Fisheries Annual Statistics. Man hours and production costs for the direct sowing of iron-coated seeds launched in 2013 based on 2009 National Agriculture Systemization Research Association.

Expand Lineup of Environmentally Friendly Products

Expanding Lineup of Environmentally Friendly Products

Products Certified as Eco-Products in FY2014 (excerpt)
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.

The KUBOTA Group aims to enhance its risk management activities and strengthen our environmental management structure, including at overseas business sites.

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 endeavoring to ensure that care is taken to conserve biodiversity and protect the natural environment.

Compliance with Environmental Laws and Regulations

To ensure compliance with environmental laws, the KUBOTA Group has set and thoroughly manages its own control values at each of its bases for exhaust gas, wastewater, noise, vibration and other variables that are stricter than the relevant laws and regulations.

Environmental Audits conducted in FY2014 did not reveal any serious violations of environmental laws and regulations at Group companies.

Environmental Auditing

Each year environmental audits are conducted by the KUBOTA Group, based on the internal control system of the KUBOTA Group.

Audits in FY2014 were conducted by means of paper audits and field audits with factors that have the potential to cause environmental accidents listed as priority checklist items, focusing on production sites, service sites, offices and construction departments in Japan as well as overseas production sites.

Also, at production sites in Japan and overseas, in addition to environmental audits conducted by the Environmental Protection Department, internal environmental audits are also implemented by the staff of each site with the aim of raising the level of environmental management.

Action Report

KUBOTA Hanshin Plant

Participation in Amagasaki 21st Century Aforestation Project

At the Hanshin Plant, we participate in the Amagasaki 21st Century Aforestation Project by growing tree saplings at the plant for the precinct. The tree saplings tend to be employees grow bigger and bigger, and in early March 2014, they were transported to the main pasture of Amagasaki forest near the plant by employees of the plant and by representatives of the Amagasaki Port Administration Office of Hyogo Prefecture. We have received new tree saplings to raise and plan to transplant them next spring. We will continue activities like this that leave a good impression on our customers and communities.

KUBOTA in Project (supported reclamation of abandoned land, KUBOTA in-Day environmental beautification volunteer), Planting trees and installing bicycles on the grounds of business sites, etc.

P.T. Kubota Indonesia

Tree Planting to Commemorate 40th Anniversary

To commemorate its 40th anniversary in FY2014, P.T. Kubota Indonesia held a join tree planting event with students in the region. On May 16, a total of 200 employees and students from Diponegoro University who are studying environmental engineering worked together to plant 1,972 mangrove trees to reflect the year that Kubota Indonesia was founded, along the Morosari coastline of Demak city.

On June 21, a total of 200 employees and students from Semarang State University planted 1,972 tanjong trees in a tree planting event held on the slopes of Mt. Ledek near Semarang City. P.T. Kubota Indonesia will continue to contribute to the preservation of the natural environment in the region.

Environmental Protection Department, based on the internal control system of the KUBOTA Group. Audits in FY2014 were conducted by means of paper audits and field audits with factors that have the potential to cause environmental accidents listed as priority checklist items, focusing on production sites, service sites, offices and construction departments in Japan as well as overseas production sites.

Also, at production sites in Japan and overseas, in addition to environmental audits conducted by the Environmental Protection Department, internal environmental audits are also implemented by the staff of each site with the aim of raising the level of environmental management.

Audit of overseas production site
S&J KUBOTA Technology Co., Ltd.

Drills for responding to abnormal and emergency situations

The KUBOTA Group is making efforts to identify and minimize the environmental risks associated with its business activities. It carries out regular training based on the procedures established to respond to specific risks at each site to mitigate the impact on the ambient environment in case of an environmental accident.
Environmental Education

The KUBOTA Group provides environmental training and education to our employees around the world. The education program for employees consists of rank-based training, professional training, and general training. KUBOTA assists external group’s environmental education programs.

### Results of environmental education in FY2014

**Classification** | Course title | Course descriptions |
--- | --- | --- |
**Educational training for employees** | Training for new recruits | Environmental issues and KUBOTA's corporate brand | 2 | 176 |
| Training for employees promoted to managerial roles | KUBOTA Group's environmental management and efforts as a group | 2 | 224 |
| Training for newly appointed foremen | KUBOTA Group's environmental management and efforts as foremen | 3 | 22 |
| Training for newly appointed supervisors | KUBOTA Group's environmental management and efforts as supervisors | 1 | 44 |
| PM Training (employees of "national" personnel who have worked for 10 years) | Environmental issues and environmental risk management | 2 | 76 |
| **Basics of environmental education** | Basics of large systems, environmental risk, and environmental conservation | 1 | 17 |
| | Pollution prevention technology education | 1 | 16 |
| | Energy saving technology education | 1 | 6 |
| | Waste management education | 2 | 45 |
| | Waste management and KUBOTA's environmental management and efforts as foremen | 12 | 18 |
| | ISO14001 system (system training) | ISO14001 standard, environmental-related systems | 2 | 30 |
| **Professional training** | Overseas production site Environmental education | Overseas production site Environmental education | 15 | 156 |
| | Business sites in Japan Environmental education | Business sites in Japan Environmental education | 1 | 28 |

Total: 45 courses 781 participants

**Support to education in outside organizations**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Course title</th>
<th>Course descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internship program with Utsunomiya Hakuyo High School</td>
<td>KUBOTA’s corporate brand</td>
<td>1</td>
</tr>
</tbody>
</table>

**SIAM KUBOTA Metal Technology**

Month for the Environment activities are held in June every year. This year, as a part of environmental education, employees visited regional elementary and junior high schools, cleared areas around the schools, and taught students how to separate and reduce trash. A total of 260 people participated, creating an opportunity to interact with local children in Thailand and think about the environment.

### Trends in Major Environmental Indicators (Trends in the last five years)

#### Trends listed on pages 45 and 46

**Indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total energy input*3 (TJ)</td>
<td>9,195</td>
<td>9,235</td>
<td>9,646</td>
<td>11,320</td>
<td>12,150</td>
</tr>
<tr>
<td>Water consumption (MWh)</td>
<td>4,180</td>
<td>4,230</td>
<td>4,250</td>
<td>4,230</td>
<td>4,180</td>
</tr>
<tr>
<td>Transportation fuel (business sites in Japan) (TJ)</td>
<td>651</td>
<td>691</td>
<td>731</td>
<td>791</td>
<td>831</td>
</tr>
<tr>
<td>Amount of water discharged (business sites in Japan) (million m³)</td>
<td>2.69</td>
<td>2.36</td>
<td>2.56</td>
<td>2.46</td>
<td>2.56</td>
</tr>
<tr>
<td>CO2 emissions*3 (kilotons CO₂e)</td>
<td>483</td>
<td>451</td>
<td>471</td>
<td>585</td>
<td>663</td>
</tr>
<tr>
<td>Amount of waste discharge (kilotons)</td>
<td>74.3</td>
<td>70</td>
<td>78.2</td>
<td>89.7</td>
<td>98.2</td>
</tr>
</tbody>
</table>

#### How to read the graph

The improvement of the figures means that the sales per unit of environmental load have increased, which is considered to indicate higher eco-efficiency.
**Status of Environmental Management System Certification Acquisition**

The KUBOTA Group’s production sites are preparing to acquire external certification for their environmental management systems. In FY2014, two production sites in China obtained ISO 14001 certification.

### [I] ISO 14001 Certification

#### KUBOTA in Japan

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Other included organizations and subsidiaries</th>
<th>Main business</th>
<th>Certifying organ</th>
<th>Date of certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nippon Plant</td>
<td></td>
<td>Agriculture, tractors, etc.</td>
<td>LRQA</td>
<td>November 28, 1997</td>
</tr>
<tr>
<td>2</td>
<td>Nippon Plant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Spain Business Center</td>
<td></td>
<td>Agriculture, tractors, etc.</td>
<td>LRQA</td>
<td>March 3, 1999</td>
</tr>
<tr>
<td>4</td>
<td>Keikon Plant</td>
<td></td>
<td>Agriculture, tractors, etc.</td>
<td>LRQA</td>
<td>March 19, 1999</td>
</tr>
<tr>
<td>5</td>
<td>Ryugasaki Plant</td>
<td></td>
<td>Vending machines</td>
<td>LRQA</td>
<td>April 30, 2004</td>
</tr>
<tr>
<td>6</td>
<td>Hanshin Plant</td>
<td></td>
<td>Agriculture, tractors, etc.</td>
<td>LRQA</td>
<td>March 10, 2000</td>
</tr>
<tr>
<td>7</td>
<td>Hanshin Plant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>KUBOTA Air Conditioner Co., Ltd.</td>
<td></td>
<td>Central air conditioning systems</td>
<td>JQA</td>
<td>August 27, 2004</td>
</tr>
<tr>
<td>9</td>
<td>KUBOTA Precision Machinery Co., Ltd.</td>
<td></td>
<td>Hydraulic valves, hydraulic motors, etc.</td>
<td>LRQA</td>
<td>March 17, 2007</td>
</tr>
<tr>
<td>10</td>
<td>KUBOTA Environmental Service Co., Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Pumps Business Unit</td>
<td></td>
<td>Sewage &amp; water purification plants, pumps and pump stations</td>
<td>LRQA</td>
<td>July 14, 2000</td>
</tr>
<tr>
<td>12</td>
<td>KUBOTA Kiko Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>KUBOTA Membrane Corp.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>KUBOTA Keiso Corp.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### KUBOTA Group: Companies in Japan

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Other included organizations and subsidiaries</th>
<th>Main business</th>
<th>Certifying organ</th>
<th>Date of certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Siam KUBOTA Corporation Co., Ltd.</td>
<td></td>
<td>Tractors and combines harvesters</td>
<td>BV</td>
<td>September 27, 2012</td>
</tr>
<tr>
<td>2</td>
<td>P.T. Kubota Indonesia</td>
<td></td>
<td>Diesel engines and agricultural machinery</td>
<td>LRQA</td>
<td>February 10, 2006</td>
</tr>
<tr>
<td>3</td>
<td>Kubota Materials Canada Corporation</td>
<td></td>
<td>Cast steel products</td>
<td>SGS (U.S.)</td>
<td>June 15, 2006</td>
</tr>
<tr>
<td>4</td>
<td>P.T. Metec Semarang</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Kubota Precision Machinery (Thailand) Co., Ltd.</td>
<td></td>
<td>Equipment for tractors</td>
<td>SGS</td>
<td>August 27, 2012</td>
</tr>
<tr>
<td>7</td>
<td>SIAM KUBOTA Corporation Co., Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>KUBOTA Environmental Service Co., Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>KUBOTA Environmental Service Co., Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>KUBOTA Environmental Service Co., Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>KUBOTA Distribution Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>KUBOTA Construction Co., Ltd.</td>
<td></td>
<td>Design and construction of civil engineering structures and buildings</td>
<td>JQA</td>
<td>December 22, 2000</td>
</tr>
<tr>
<td>13</td>
<td>Shin-yodogawa Environmental Plant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Tochigi Plant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Sakai Plant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Odawara Plant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>KUBOTA Keiko Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>KUBOTA Kiko Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>KUBOTA Keiso Corp.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### KUBOTA Group: Overseas companies

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Other included organizations and subsidiaries</th>
<th>Main business</th>
<th>Certifying organ</th>
<th>Date of certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SIAM KUBOTA Corporation Co., Ltd.</td>
<td></td>
<td>Small diesel engines and agricultural machinery</td>
<td>MASCI</td>
<td>February 28, 2003</td>
</tr>
<tr>
<td>2</td>
<td>P.T. Kubota Indonesia</td>
<td></td>
<td>Diesel engines and agricultural machinery</td>
<td>LRQA</td>
<td>February 10, 2006</td>
</tr>
<tr>
<td>3</td>
<td>Kubota Materials Canada Corporation</td>
<td></td>
<td>Cast steel products</td>
<td>SGS (U.S.)</td>
<td>June 15, 2006</td>
</tr>
<tr>
<td>4</td>
<td>P.T. Metec Semarang</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Kubota Precision Machinery (Thai) Co., Ltd.</td>
<td></td>
<td>Equipment for tractors</td>
<td>SGS</td>
<td>August 27, 2012</td>
</tr>
<tr>
<td>6</td>
<td>Kubota Precision Machinery (Suza) Co., Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>SIAM KUBOTA Corporation Co., Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>KUBOTA Environmental Service Co., Ltd.</td>
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</tr>
<tr>
<td>9</td>
<td>KUBOTA Environmental Service Co., Ltd.</td>
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<td>10</td>
<td>KUBOTA Environmental Service Co., Ltd.</td>
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</tbody>
</table>

### (II) EMAS certification

#### KUBOTA in Japan

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Other included organizations and subsidiaries</th>
<th>Main business</th>
<th>Certifying organ</th>
<th>Date of certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KUBOTA Spool Plant</td>
<td></td>
<td>Spooling</td>
<td>JQA</td>
<td>September 30, 2007</td>
</tr>
<tr>
<td>2</td>
<td>KUBOTA Hino Plant</td>
<td></td>
<td>Spooling</td>
<td>JQA</td>
<td>September 30, 2007</td>
</tr>
<tr>
<td>3</td>
<td>KUBOTA Ebara Plant</td>
<td></td>
<td>Spooling</td>
<td>JQA</td>
<td>September 30, 2007</td>
</tr>
<tr>
<td>4</td>
<td>KUBOTA Mita Plant</td>
<td></td>
<td>Spooling</td>
<td>JQA</td>
<td>September 30, 2007</td>
</tr>
<tr>
<td>5</td>
<td>KUBOTA Mita Plant</td>
<td></td>
<td>Spooling</td>
<td>JQA</td>
<td>September 30, 2007</td>
</tr>
<tr>
<td>6</td>
<td>KUBOTA Shibata Plant</td>
<td></td>
<td>Spooling</td>
<td>JQA</td>
<td>September 30, 2007</td>
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<tr>
<td>7</td>
<td>KUBOTA Kikai Plant</td>
<td></td>
<td>Spooling</td>
<td>JQA</td>
<td>September 30, 2007</td>
</tr>
<tr>
<td>8</td>
<td>KUBOTA Kikai Plant</td>
<td></td>
<td>Spooling</td>
<td>JQA</td>
<td>September 30, 2007</td>
</tr>
<tr>
<td>9</td>
<td>KUBOTA Kikai Plant</td>
<td></td>
<td>Spooling</td>
<td>JQA</td>
<td>September 30, 2007</td>
</tr>
</tbody>
</table>

### Information related to Controlling Chemical Substance

#### FY2014 results of PRTR reporting (production sites in Japan)

<table>
<thead>
<tr>
<th>Number</th>
<th>Chemical substance</th>
<th>Annual amount/kg</th>
<th>Unit: kg/year (Dioxins: mg-TEQ/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Water-soluble fibre compounds</td>
<td>0.0</td>
<td>8.4</td>
</tr>
<tr>
<td>2</td>
<td>Lead</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>3</td>
<td>Silver</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>4</td>
<td>Chromium and chromium (III) compounds</td>
<td>0.0</td>
<td>11,618</td>
</tr>
<tr>
<td>5</td>
<td>Manganese and its compounds</td>
<td>0.0</td>
<td>18,167</td>
</tr>
<tr>
<td>6</td>
<td>Organic lead compounds</td>
<td>0.0</td>
<td>13,960</td>
</tr>
<tr>
<td>7</td>
<td>Silver</td>
<td>0.0</td>
<td>4.0</td>
</tr>
<tr>
<td>8</td>
<td>Chromium and chromium (III) compounds</td>
<td>0.0</td>
<td>13,960</td>
</tr>
<tr>
<td>9</td>
<td>Lead</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>10</td>
<td>Silver</td>
<td>0.0</td>
<td>4.0</td>
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<tr>
<td>11</td>
<td>Silver</td>
<td>0.0</td>
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</tr>
<tr>
<td>12</td>
<td>Silver</td>
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</tr>
<tr>
<td>13</td>
<td>Silver</td>
<td>0.0</td>
<td>4.0</td>
</tr>
</tbody>
</table>

#### 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.

Please refer to [http://www.kubota-global.net/environment/courses.html](http://www.kubota-global.net/environment/courses.html) for details regarding the KUBOTA Group’s Green Procurement Guidelines.

#### Reduction of Chemical Substances contained in Products

The KUBOTA Group has set rules for identifying and properly managing chemical substances in products in order to comply with REACH regulations and other chemical substance regulations. Since FY2011, chemical substances in products have been classified as one of the three following categories and managed appropriately. With cooperation from our suppliers, we investigate chemical substances in products on a global basis.

- **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

* REACH Regulation: EC Regulation for Registration, Evaluation, Authorisation and Restriction of Chemicals
Environmental Accounting

The KUBOTA Group performs environmental accounting and publicizes data about the cost of investments in environmental conservation and the economic and environmental benefits of these investments.

Environmental conservation costs

<table>
<thead>
<tr>
<th>Man activities</th>
<th>FY2013 (in millions)</th>
<th>FY2014 (in millions)</th>
<th>% Change</th>
</tr>
</thead>
</table>
| Investment expenses | 160 | 393 | 210.6%
| Environmental conservation cost | 377 | 341 | -9.3%
| Resource recycling cost | 453 | 217 | -52.3%
| Global environmental conservation cost | 339 | 217 | -35.9%
| Resource recycling cost | 93 | 377 | 314.1%
| Environmental management personnel, ISO maintenance and implementation, environmental information dissemination | 4 | 1,225 | 305.3%
| R&D cost | 4 | 1,326 | 326.1%
| Total R&D costs for the corresponding period | 35,600 | |

Environmental conservation effects

<table>
<thead>
<tr>
<th>Man activities</th>
<th>FY2013 (in millions)</th>
<th>FY2014 (in millions)</th>
<th>% Change</th>
</tr>
</thead>
</table>
| Energy consumption (Except for transportation fuel) | 7,660 | 7,890 | 3.0%
| Water consumption (million m3) | 3.67 | 3.79 | 3.4%
| CO2 emissions were cut as a result of shortening the distance traveled by trucks. We also created a model for alleviating chronic congestion on roads around shipping container yards in Tokyo Bay. |
| Waste to landfills (kilotons) | 1.0 | 1.2 | 20.0%

Economic effects

<table>
<thead>
<tr>
<th>Man activities</th>
<th>FY2013 (in millions)</th>
<th>FY2014 (in millions)</th>
<th>% Change</th>
</tr>
</thead>
</table>
| Economic effects (Economic effects is obtained only by adding up tangible results and does not include estimated effects.) | 7,660 | 7,890 | 3.0%

Environmental accounting principles:

1. The period covered spans from April 1, 2013 to March 31, 2014.
2. The data of business sites in Japan are considered in the calculation.
3. Data was calculated referring to the Environmental Accounting Guidelines 2005, published by Japan’s Ministry of the Environment.
4. “Investment expenses” include depreciation costs. Depreciation cost was calculated based on the standards applied to KUBOTA’s financial accounting, and assets acquired in 1998 and after were considered in the calculation. “Management activities” and “R&D costs” include personnel costs, but do not include costs involved in such activities, such as the costs of construction and the purchase of equipment. “R&D costs” represents that which was spent on environmental purposes, calculated on a pro-rata basis.
5. “Resource recycling costs” does not include costs incurred during disposal of construction waste at construction sites.
6. “R&D costs” represents that which was spent on environmental purposes, calculated on a pro-rata basis.
7. “Economic effects” is obtained only by adding up tangible results and does not include estimated effects.

Green Purchasing

Amount spent on green products and the ratio to total purchasing amount (Business sites in Japan)

We promote Green Purchasing, the prioritization of procured products that have minimal impact on the environment. In FY2014 the ratio of the amount spent on green products to total purchasing amount was 83.1%.

<table>
<thead>
<tr>
<th>Man activities</th>
<th>FY2013</th>
<th>FY2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount spent on green products</td>
<td>7,660</td>
<td>7,890</td>
<td>3.0%</td>
</tr>
<tr>
<td>Ratio to total purchasing amount</td>
<td>83.1%</td>
<td>83.1%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Environmental conservation principles:

1. “Expenses” includes depreciation costs. Depreciation cost was calculated based on the standards applied to KUBOTA’s financial accounting, and assets acquired in 1998 and after were considered in the calculation. “Management activities” and “R&D costs” include personnel costs, but do not include costs involved in such activities, such as the costs of construction and the purchase of equipment. “R&D costs” represents that which was spent on environmental purposes, calculated on a pro-rata basis.

Receiving Environmental Awards

In FY2014, the KUBOTA Group continued to engage in environmental conservation activities. Some of these environmental activities were recognized with awards from external parties as leading examples of environmental conservation.

KUBOTA Tsukuba Plant:
Chairman’s Incentive Award in 32nd National Competition for Promotion of Greenery at Factories

In November 2013, the Japan Greenery Research and Development Center presented the Tsukuba Plant with the Chairman’s Incentive Award for factories with excellent greenery. The Tsukuba Plant contributes to the promotion of greenery in the region by maintaining about eight hectares of greenery on the premises of the plant and operating environmental facilities. On the premises, there are grass lawns and tree-lined walkways. These beautiful natural environments offer employees a place to rest as well as a space for communication and recreation. Cherry blossoms bloom on the site where an expansion of the No. 2 plant was planned, and are transplanted to the walkway that employees take to work. These trees are a symbol of the plant and blossom every spring.

KUBOTA Corporation & KUBOTA LOGISTICS CORPORATION:
Minister of Economy, Trade and Industry Award for Green Logistics

In December 2013, KUBOTA Corporation and KUBOTA LOGISTICS CORPORATION were honored with the Japanese Ministry of Economy, Trade and Industry(METI) Minister’s Award for the Excellent Green Logistics Commendation, sponsored by METI, the Ministry of Land, Infrastructure and Transport, and other entities. The award recognizes the efficient container round use based in inland container terminals for transporting containers, which would be empty during either the loading or backloading process. CO2 emissions were cut as a result of shortening the distance traveled by the trucks. We also created a model for alleviating chronic congestion on roads around shipping container yards in Tokyo Bay.

P.T. Kubota Indonesia:
Blue PROPER Award

In November 2013, Osaka City’s Environmental Office sponsored the 2013 Excellent Waste Reduction Building Awards at the Abeno-ku Citizens Center in Osaka, Japan. KUBOTA’s Head Office Building was awarded the Mayor’s Award. Every year, Osaka City conducts on-site inspections of buildings to evaluate the effectiveness of efforts to reduce and recycle waste. Our Head Office building has won the award for more than ten years running, recognized as an excellent building.

This year, the No. 2 building of the Head Office also received the award, for the fifth year straight. We do our best to reduce waste at our offices.

PT. Kubota Indonesia:
Blue PROPER Award

PT. Kubota Indonesia has received the Blue PROPER Award from the Ministry of Environment of Republic of Indonesia in recognition of its corporate activities over the year beginning in July 2012. The Environmental Performance Rating Program (PROPER) is a rating program that Characterized by certain colors operated by the Ministry of the Environment in Indonesia. The PROPER Awards aim to drive companies to comply to environmental regulations and achieve environmental excellence through the integration of sustainable development principles in production and service, the implementation of environmental management systems, EPR reuse, reduce, recycle of wastes, energy efficiency, resource conservation, biodiversity protection and conduct ethical business responsibility through community development programs.

PT. Kubota Indonesia received the Blue PROPER Award in recognition of its proper environmental management system that complies with related laws and regulations.

SIAM KUBOTA Corporation (Amata Nakorn Plant):
Green Industry Level 3 Award

SIAM KUBOTA Corporation (Amata Nakorn Plant) has made concerted efforts to reduce waste and water usage. These efforts were recognized in July 2013, with an award from the government of Thailand as an environmentally friendly factory and awarded Level 2 in the Green Industry Project. Going forward, everyone in the company will continue to eagerly work to conserve the environment and pursue a higher rating.

SIAM KUBOTA Corporation (Amata Nakorn Plant):
Green Industry Level 3 Award

SIAM KUBOTA Corporation (Amata Nakorn Plant) has made concerted efforts to reduce waste and water usage. These efforts were recognized in July 2013, with an award from the government of Thailand as an environmentally friendly factory and awarded Level 2 in the Green Industry Project. Going forward, everyone in the company will continue to eagerly work to conserve the environment and pursue a higher rating.
## KUBOTA Group Production Sites Data

### Data on KUBOTA production sites in Japan (results of FY2014)

<table>
<thead>
<tr>
<th>Plant/Center</th>
<th>Marushima</th>
<th>Hanshin Plant</th>
<th>Keiyo Plant (Funabashi)</th>
<th>Keiyo Plant (Ichikawa)</th>
<th>Hirakata Plant</th>
<th>Sakai Plant</th>
<th>Sakai Rinkai Plant</th>
<th>Utsunomiya Plant</th>
<th>Tsukuba Plant</th>
<th>Kyuhoji Business Center *4</th>
<th>Ryugasaki Plant *4</th>
<th>Shiga Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fossil fuel</td>
<td>0.776</td>
<td>0.834</td>
<td>0.874</td>
<td>0.477</td>
<td>0.634</td>
<td>0.731</td>
<td>0.614</td>
<td>0.743</td>
<td>0.831</td>
<td>0.831</td>
<td>0.831</td>
<td>0.836</td>
</tr>
<tr>
<td>Volume of use</td>
<td>1.154</td>
<td>1.141</td>
<td>1.141</td>
<td>1.141</td>
<td>1.141</td>
<td>1.141</td>
<td>1.141</td>
<td>1.141</td>
<td>1.141</td>
<td>1.141</td>
<td>1.141</td>
<td>1.141</td>
</tr>
<tr>
<td>Heat</td>
<td>0.776</td>
<td>0.834</td>
<td>0.874</td>
<td>0.477</td>
<td>0.634</td>
<td>0.731</td>
<td>0.614</td>
<td>0.743</td>
<td>0.831</td>
<td>0.831</td>
<td>0.831</td>
<td>0.836</td>
</tr>
</tbody>
</table>

### Control Content

- **Main smoke and soot generating facilities**
  - Melting furnaces
  - Heating furnaces
  - Melting furnaces

### Control Measurement

- **K-value control**: m³N/h
- **K-value control**: m³N/h
- **K-value control**: m³N/h

### Control Data

- **No smoke and soot generating facilities**
- **Total emission control kg/day**: 1.424
- **Total emission control kg/day**: 0.5

### Environmental Report

- **pH Minimum value**, **COD mg/L**: 20, 6
- **Nitrogen mg/L**: 120, 5.7

### Total Emission

- **Public water areas**
  - **SS mg/L**: 300, 2
  - **Nitrogen mg/L**: 120, 5.7
  - **Hexavalent chromium mg/L**: 0.35, Non-detected

### Sewerage

- **Public sewerage line**
  - **COD, Nitrogen, total emission control kg/day**: 1.424, 0.5

### Environmental Regulations

- **Order No.**
  - **Atmosphere**, **Water**, **Soil**

### Public/Order No.

- **Order No.**
  - **Atmosphere**, **Water**, **Soil**

### Company Information

- **Order No.**
  - **Atmosphere**, **Water**, **Soil**

### Released Amount

- **Order No.**
  - **Atmosphere**, **Water**, **Soil**

### Transferred Amount

- **Order No.**
  - **Atmosphere**, **Water**, **Soil**

### Other Data

- **Order No.**
  - **Atmosphere**, **Water**, **Soil**

### Other Data

- **Order No.**
  - **Atmosphere**, **Water**, **Soil**

### Other Data

- **Order No.**
  - **Atmosphere**, **Water**, **Soil**
### Data on KUBOTA Group Overseas Production Sites (results of FY2014)

#### Region
- North America
- Europe
- Asia

#### Company
- KUBOTA Air
- KUBOTA Precision
- Nippon Plastic Industry
- Kubota Industrial Equipment Corporation
- Kubota Materials Canada Corporation
- Kverneland Group
- Kubota Manufacturing of America Corporation
- Kubota Materials Corp.

### KUBOTA Group Overseas Production Sites

#### KUBOTA-C.I. (Sakai)
- Business site: KUBOTA-C.I. (Sakai)
- Location: Japan

#### KUBOTA-C.I. (Odawara)
- Business site: KUBOTA-C.I. (Odawara)
- Location: Japan

#### KUBOTA-Air (Tachikawa)
- Business site: KUBOTA-Air (Tachikawa)
- Location: Japan

#### KUBOTA Precision Machinery
- Business site: KUBOTA Precision Machinery
- Location: Japan

#### Nippon Plastic Industry
- Business site: Nippon Plastic Industry
- Location: Japan

#### Kubota KUBOTA Chemical
- Business site: Kubota KUBOTA Chemical
- Location: Japan

---

### Environmental Report

#### Data on KUBOTA Group production sites in Japan (results of FY2014)

<table>
<thead>
<tr>
<th>Business site</th>
<th>KUBOTA-C.I. (Sakai)</th>
<th>KUBOTA-C.I. (Odawara)</th>
<th>KUBOTA-Air (Tachikawa)</th>
<th>KUBOTA Precision Machinery</th>
<th>Nippon Plastic Industry</th>
<th>Kubota KUBOTA Chemical</th>
</tr>
</thead>
</table>

### Energy

<table>
<thead>
<tr>
<th>Energy type</th>
<th>Unit</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fossil fuel</td>
<td>Crude oil equivalent kL</td>
<td>4,269</td>
</tr>
</tbody>
</table>

### Management

#### Environmental Report

<table>
<thead>
<tr>
<th>Item</th>
<th>Business site</th>
<th>KUBOTA-C.I. (Sakai)</th>
<th>KUBOTA-C.I. (Odawara)</th>
<th>KUBOTA-Air (Tachikawa)</th>
<th>KUBOTA Precision Machinery</th>
<th>Nippon Plastic Industry</th>
<th>Kubota KUBOTA Chemical</th>
</tr>
</thead>
</table>

### Economic Report

#### Total Crude oil equivalent kL
- 3,672
- 14,211
- 8,240
- 31,933
- 5,742
- 22,242
- 985
- 38,172
- 4,404
- 17,044
- 3,882
- 15,048
- 2,077
- 80,519

<table>
<thead>
<tr>
<th>Item</th>
<th>Business site</th>
<th>KUBOTA-C.I. (Sakai)</th>
<th>KUBOTA-C.I. (Odawara)</th>
<th>KUBOTA-Air (Tachikawa)</th>
<th>KUBOTA Precision Machinery</th>
<th>Nippon Plastic Industry</th>
<th>Kubota KUBOTA Chemical</th>
</tr>
</thead>
</table>

### Social Report

#### Results of chemical substances reporting

<table>
<thead>
<tr>
<th>Substance name</th>
<th>Control number</th>
<th>Release quantity</th>
<th>Amount of air pollution</th>
<th>(Unit: kg/yr)</th>
</tr>
</thead>
</table>

#### Results of FETR reporting

<table>
<thead>
<tr>
<th>Substance name</th>
<th>Control number</th>
<th>Release quantity</th>
<th>Amount of air pollution</th>
<th>(Unit: kg/yr)</th>
</tr>
</thead>
</table>

---

### Notes
1. Concentration control: Control value (including agreed value) of major smoke and soot generating facilities and the measurement value (maximum value).
2. Particulate Matter: Those subject to the laws concerning emissions into the atmosphere.
### Data on KUBOTA Group Overseas Production Sites (results of FY2014) (Continued from page 66)

#### Region
- Europe
- Asia

#### Kverneland Group
- Metallic Technology

#### Siam KUBOTA Corporation
- SIAM KUBOTA
- Kubota Construction Machinery (WUXI) Co., Ltd.
- Manufacturing Lipetsk
- Machinery (WUXI) Co., Ltd.
- Equipment Daqing Ltd.

### Energy

<table>
<thead>
<tr>
<th>Region</th>
<th>Input</th>
<th>Conversion GJ</th>
<th>Volume of use</th>
<th>Heat</th>
<th>Conversion GJ</th>
<th>Volume of use</th>
<th>Heat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>1,028</td>
<td>80,078</td>
<td>1,251</td>
<td>1,809</td>
<td>251</td>
<td>5,980</td>
<td>17,713</td>
</tr>
<tr>
<td>Asia</td>
<td>2,921</td>
<td>1,217</td>
<td>2,871</td>
<td>1,666</td>
<td>279</td>
<td>7,878</td>
<td>14,846</td>
</tr>
<tr>
<td>Total</td>
<td>4,349</td>
<td>131,255</td>
<td>4,122</td>
<td>4,655</td>
<td>329</td>
<td>13,858</td>
<td>32,560</td>
</tr>
</tbody>
</table>

### Water Usage

<table>
<thead>
<tr>
<th>Region</th>
<th>Headquarter</th>
<th>Asia</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input</td>
<td>12,342</td>
<td>85,109</td>
<td>2,682</td>
</tr>
<tr>
<td>Output</td>
<td>475</td>
<td>1,231</td>
<td>120,014</td>
</tr>
</tbody>
</table>

### Wastewater Discharge

<table>
<thead>
<tr>
<th>Region</th>
<th>Asia</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input</td>
<td>34</td>
<td>803</td>
</tr>
<tr>
<td>Output</td>
<td>475</td>
<td>1,231</td>
</tr>
</tbody>
</table>

### Environmental Report

- **KUBOTA REPORT 2014**
- **KUBOTA REPORT 2014**

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1 Concentration control: Control value (including agreed value) of major smoke and soot generating facilities and the measurement value (maximum value).
2 Smoke and soot generating facilities: Those subject to the laws concerning emissions into the atmosphere.
3 Total regulations are plant unit control values, agreed values and measurement values. Concentration control: Control value (including agreed value) by plant and the measurement value (maximum value).
4 Post-treatment water quality temporarily exceeded regulated values, but the water was adjusted receiving government approval.
5 Due to a change in the categories of regulations made in September 2013, the regulation values and measured values for the period prior to August and the period after September are reported. Between August and October, the measured value exceeded the regulation value, but this was reported to the government and we have been implementing an alternative plan. As of November, the measured value has been under the regulation value.
### Environmental performance indicators:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Calculation method</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total energy input (TJ)</strong></td>
<td>¹,2</td>
</tr>
<tr>
<td><strong>Water-related CO2 emissions (Kt CO2)</strong></td>
<td>¹,2</td>
</tr>
<tr>
<td><strong>Freight traffic (million ton-km)</strong></td>
<td>¹,2</td>
</tr>
<tr>
<td><strong>VOC emissions (kilotons CO2e)</strong></td>
<td>¹,2</td>
</tr>
<tr>
<td><strong>Construction waste discharge (tons)</strong></td>
<td>¹,2</td>
</tr>
<tr>
<td><strong>Recycling ratio (%)</strong></td>
<td>¹,2</td>
</tr>
</tbody>
</table>

### Calculation method:

- **Total energy input**: Total energy input consists of fuel, purchased electricity, and self-generated electricity. The emissions of each energy source are converted to CO2 equivalents using CO2 emission coefficients of respective countries and regions. The total amount of CO2 emitted is divided by the total amount of energy input to calculate the CO2 emissions per unit of sales.

- **Water-related CO2 emissions**: These emissions are calculated using the following formula:
  \[ \text{CO2 emissions} = \text{amount of purchased electricity} \times \text{CO2 emission coefficient} + \text{amount of COD, nitrogen and phosphorus discharge} \]

- **Freight traffic**: Freight traffic is calculated using the same CO2 emission coefficients for each year.

- **VOC emissions**: VOC emissions are calculated using the same CO2 emission coefficients for each year.

- **Construction waste discharge**: Construction waste discharge is calculated using the same CO2 emission coefficients for each year.

- **Recycling ratio**: The recycling ratio is calculated as (amount of recycled waste / amount of construction waste) x 100.

1. For FY2014, the KUBOTA Group accounting policy has changed to reflect in the consolidated financial statements the results of some consolidated subsidiaries with different accounting policies. Please refer to Note 1 on page 40 for details.

2. In accordance with changes in the KUBOTA Group’s accounting policy (including for fiscal year ended 31 March 2014), consolidated net sales from FY2013 to FY2014 have been restated to reflect the new accounting policies. The restated figures presented in this document indicate the period (fiscal year) and results of these restated figures have been restated from FY2013 to FY2014.
Third-Party Assurance on Environmental Report

Since FY2005, the KUBOTA Group has received the third-party assurance in order to improve the reliability and comprehensiveness of its environmental data. The J-SUS 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 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 satisfies the requirements for the environmental report assurance and registration marking specified by J-SUS.

Comments on the KUBOTA REPORT 2014 - Business and CSR Activities

A Report that Links both the Printed and Online Formats
KUBOTA REPORT 2014 is published in both a printed and online format. The two reports have been edited with specific purposes in mind. In my opinion, KUBOTA has successfully achieved its objectives and published a printed report that focuses on readability and an online report that seeks to provide a detailed account of the Company’s business and CSR activities. The printed version, in particular, can be commended for striking the right balance between visual design and exhaustive information, including quantitative data of the KUBOTA Group’s fundamental activities. I believe that the printed version provides a concise account of the Group’s business and sustainability activities and goes a long way toward fulfilling the requirements for integrated reporting set out by the International Integrated Reporting Council. The online version is for the most part structured in the same style as the printed version. In providing a more detailed look at the Group’s endeavors, the online version is an excellent tool to enhance the understanding of readers of the printed version.

In response to the above comments
We have received comments from Professor Kokubu since 2009. KUBOTA would like to thank him for providing his opinion again this fiscal year. The KUBOTA REPORT 2014 was created with the desire to further enhance communication with our various stakeholders. The printed version was intended to be a gateway for stakeholders relatively unfamiliar with the KUBOTA Group to get a broader understanding of the Group. The online version was intended to be a tool for each stakeholder to get a deeper understanding of areas that pique their interest. Through its business activities, the Group will redouble efforts to contribute to solving problems related to food, water, and the environment, all of which are essential to the survival of the human race. All employees of the Group around the world share the vision of the KUBOTA Global Identity and set targets in line with their business activities with the aim of building an acclaimed brand everyone trusts.
History of KUBOTA’s products

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 Data
(As of March 31, 2014)

- **Corporate Name**: KUBOTA Corporation
- **Established**: 1890
- **Capital**: ¥84.0 billion
- **Total number of shares issued**: 1,250,219,180
- **Number of shareholders**: 39,117
- **Revenues (Consolidated)**: ¥1,508.6 billion
- **Number of employees (Consolidated)**: 33,845

The founder of KUBOTA, Genshiro Kubota (1873–1959)

**Directors, Audit & Supervisory Board Members and Executive Officers**
(As of July 8, 2014)

**Directors**

- Outside Director: Yukitoshi Funo
- Director and Senior Managing Executive Officer: Kanshiro Ogawa
- President and Representative Director: Masatoshi Kimata
- Director and Managing Executive Officer: Iwai Kita
- Outside Director: Yuzuru Matsuoka

**Executive Officers**

- Managing Executive Officers: Saburo Iida, Toshihiko Kubo, Shigeru Kimura
- Executive Officers: Yutaka Ho, Kazuhiro Kitamura, Mutsumi Uchida

**Audit & Supervisory Board Members**

- Audit & Supervisory Board Members: Satoko Sakamoto, Toshikazu Fukuyama
- Outside Audit & Supervisory Board Members: Masaharu Kawasaki, Yukitoshi Funo

Major Products Driving the Development of KUBOTA

- Cast iron pipes for water supply (1893)
- Cultivators (1947)
- Oil-based engines for agro-industrial purposes (1961)
Sewage sludge incinerators: plants used to incinerate or melt sludge produced during sewage treatment.

Spiral welded steel pipes: used in the rolling process, mainly at steel plants.

Cast steel: used at plants in the petrochemical industry for ethylene purification and other operations.

TXAX (brake pad material): used as a friction material, mainly in brake pads.

Vending machines: used for the automatic sales of products, including drinks and cigarettes.

Air-conditioning: used mainly in the centralized air-conditioning of office buildings and plants.

Truck scales: used to measure load capacity for trucks and other equipment.

Iron pipes: used in infrastructure, including water and sewage lines, as well as gas piping.

Earthquake resistant reservoirs: used to ensure the supply of drinking water when water services are halted due to an earthquake or other disaster.

Valves: used in water and sewerage lines to control the flow of fluids or gases.

Pumps: used to pump water in water and sewage lines, as well as storm water drainage.

Waste water treatment tanks: used to treat sewage in areas where there are no sewage lines.

Submerged membranes: used to purify waste water, including industrial and domestic sewage.

Sludge water treatment tanks: used for final treatment in areas where there are no sewage lines.

Engines (installed in equipment 1-7):

Tractors: used mainly in agricultural operations, including tillage, leveling and transportation.

Rice transplanters: used to transplant rice seedlings, making rice production more efficient.

Mini power filters: used in various industrial processes, including chemical treatment.

Rolling bearings: used in machinery, including automotive and industrial equipment.

Railway mechanics: used for the maintenance of railway tracks and bridges.

Utility vehicles: useful in a variety of operations, including agricultural, industrial, and construction activities.

Construction machinery (mini backhoes): used in civil engineering and other operations, especially in narrow work areas, such as city streets.

Trucks: used for transporting goods and materials, including in construction and industry.

Spiral welded steel pipes: used in infrastructure, including for buildings and bridges, in addition to harbor and river projects.

Ceramic film: used in the purification process for sources of water, including river water, to create clean drinking water.

Plastic pipes: used in infrastructure, including water and sewage lines, as well as gas piping, used as power sources for industrial equipment, including tractors and construction machinery.

Submerged membranes:

Waste water treatment tanks:

Sludge water treatment tanks:

Sludge water treatment tanks:
Possessing strengths in world-class quality, the KUBOTA Group is accelerating the development of its overseas business activities, including expanding its production, sales and procurement bases.

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

**Europe**
- **Kubota Europe S.A.S.**, France
  - Sales of tractors, construction machinery, engines, mowers and UTVs
- **Kubota Deutschland GmbH**, Germany
  - Sales of tractors, engines, mowers and UTVs
- **Kubota Baumaschinen GmbH**, Germany
  - Manufacturing and sales of construction machinery
- **Kubota (UK) Ltd.**, United Kingdom
  - Sales of construction machinery, engines, mowers and UTVs
- **Kubota Membrane Europe Ltd.**, United Kingdom
  - Sales of water treatment membranes
- **Kubota España S.A.**, Spain
  - Sales of tractors, mowers and UTVs
- **Kronental AS**, Norway
  - Manufacturing and sales of tractor implements

**Asia & Oceania**
- **Kubota Korea Co., Ltd.**, South Korea
  - Sales of tractors, combine harvesters, rice transplanters and construction machinery
- **Kubota China Holdings Co., Ltd.**, China
  - Sales of tractors, engines, mowers and UTVs
- **Kubota Agricultural Machinery (BEIJING) Co., Ltd.**, China
  - Manufacturing and sales of combines and harvesters
- **Kubota Construction Machinery (WUHAN) Co., Ltd.**, China
  - Manufacturing of construction machinery
- **Kubota Engine (SHANGHAI) Co., Ltd.**, China
  - Manufacturing and sales of engine production bases
- **Kubota Construction Machinery (SHANGHAI) Co., Ltd.**, China
  - Manufacturing and sales of construction machinery
- **Kubota Guzhen Environmental Engineering (Jiangsu) Co., Ltd.**, China
  - Plant engineering and manufacturing of wastewater treatment plants
- **Kubota Sanlian Pump (Anhui) Co., Ltd.**, China
  - Manufacturing and sales of pumps
- **Kubota Environmental Engineering (SHANGHAI) Co., Ltd.**, China
  - Plant engineering and sales of equipment for the wastewater treatment market
- **Kubota Environment Co., Ltd.**, Japan
  - Manufacturing and sales of engine production bases
- **Kubota Construction Machinery (SHANGHAI) Co., Ltd.**, China
  - Manufacturing and sales of construction machinery
- **Kubota Guzhen Environmental Engineering (Jiangsu) Co., Ltd.**, China
  - Plant engineering and manufacturing of wastewater treatment plants
- **KUBOTA KMEW Co., Ltd.**, Japan
  - Manufacturing and sales of roofing and siding materials
- **Kubota Engine America Corporation**, U.S.A.
  - Manufacturing and sales of engines
- **Kubota Philippines, Inc.**, Philippines
  - Manufacturing and sales of tractors, combine harvesters, rice transplanters, engines, power tillers, etc., and sales of construction machinery
- **Kubota Materials Canada Ltd.**, Canada
  - Manufacturing and sales of steel casting products, THM (coal bed material)

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

**Head Offices**
- **Sales Office** (Osaka)
  - Sales of agricultural machinery
- **Harvesting Office** (Tokyo)
  - Manufacturing and sales of agricultural machinery and engines
- **Tokyo Head Office** (Tokyo)

**Regional offices**
- **Regional offices** (Shibuya, Tokyo)

**Regional offices** (Tokyo)
- **Tokyo Regional Office** (Tokyo)
  - Manufacturing and sales of steel casting products
- **Chubu Regional Office** (Nagoya)
  - Manufacturing and sales of steel casting products
- **Chubu 2nd Regional Office** (Nagoya)
  - Manufacturing and sales of steel casting products

**Regional offices** (Osaka)
- **Kikkocho Regional Office** (Osaka)
  - Manufacturing and sales of steel casting products
- **Osaka Regional Office** (Osaka)
  - Manufacturing and sales of steel casting products
- **Wakayama Sales Office** (Wakayama)
  - Retail financing for tractors and combine harvesters

**Branch offices**
- **Technical and sales guidance on agricultural machinery** (Osaka)
  - Integrated agricultural machinery service
- **Kubota Farm & Industrial Machinery Service Ltd.** (Sakai, Osaka Prefecture)
  - Technical and sales guidance on agricultural machinery
- **Kubota Credit Co., Ltd.** (Tokyo)
  - Retail financing of sales contracts
- **Kubota Precision Machinery Co., Ltd.** (Tokyo)
  - Retail financing for tractors and combine harvesters

**Main overseas affiliates**
- **Kubota Construction Machinery (SHANGHAI) Co., Ltd.** (Shanghai, China)
  - Engineering and construction contracting
- **KMEI Co., Ltd.** (Osaka)
  - Manufacturing and sales of rolling and slope materials