

Social Problems to be Addressed by the Kubota Group and

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- **World** production of major grains* in FY2027 is expected to increase by 12.2% compared to FY2017.*¹
* Major grains: Rice, wheat, soy beans, maize, sugar cane
- World grain harvest area in 2027 (700 million ha) will be largely the same as the average for 2014-2016.*²
- World population in 2027 is expected to increase by 10.4% compared to 2017.*³
- The net increase in world population in 2027 will be in urban populations, and there will be no increase in rural populations.*³

Against a backdrop of a farming population and a grain harvest area that will not be increasing, yield per unit area will have to be further improved. Higher productivity through promotion of agriculture mechanization and smart agriculture is expected.

In developing countries, as of 2015:

- 2.1 billion have no access to “safely managed” water.*⁴
- 840 million have still not received basic water supply.*⁴
- 4.5 billion have no access to “safely managed” sanitary facilities.*⁴

Development of safe water, sewage and sanitary facilities is expected.

In Japan, there are problems such as deterioration of water/sewage pipelines and facilities, and securing manpower and passing on techniques, due to the aging of workers:

Efficient operation of water and sewage projects are expected.

- **The world's urban** population ratio is expected to rise from 55% in 2017 to 60% in 2030.*³
- The number of cities with a population of 10 million or more (megacities) will increase from 33 in 2018 to 43 in 2030.*⁵

Further development due to the social infrastructure accompanying urbanization is also expected.

- There are more frequent climate-related disasters (rainstorms, flooding, water shortages, etc.) due to global warming and there is a rising risk of natural disasters such as typhoons, earthquakes, and tsunamis.

Greater disaster preparation, and measures to ensure prompt recovery after a disaster are expected.

- Goals for solving the 17 global items indicated in SDGs

The corporate staff departments will take the helm, and promote this as a company-wide activity.

Sources:

*1 FAOSTAT, Food and Agriculture Organization of the United Nations

*2 World food supply and demand projections to 2027, Policy Research Institute, Ministry of Agriculture, Forestry and Fisheries (March 2018)

*3 World Population Prospects 2017, United Nations







*4 Progress on Drinking Water, Sanitation and Hygiene 2017, WHO/UNICEF

*5 2018 Revision of World Urbanization Prospects, United Nations


For more information on the 17 SDGs, see:

<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

Contributions to SDGs

	Approach to creating value (Approach to promoting SDGs)	Main related SDGs	The Kubota Group's SDGs KPI
Food	Work for the development of society by drawing on all of our capabilities and know-how to offer superior products, technologies and services	Contribute to the abundant and stable production of food by the streamlining of agriculture.	  <ul style="list-style-type: none"> • Contribution to food production through further spread of agricultural machinery • Promotion of smart agriculture using IoT and robot technologies (Kubota Smart Agri System (KSAS))
		Contribute to the supply and restoration of reliable water by enhancing water infrastructures.	  <ul style="list-style-type: none"> • Contribution to the development of sustainable water infrastructure by offering more products, technologies, and services relating to water, sewage and water treatment facilities. • Contribution to efficient operations in the water environment field by exploiting all-around abilities and IoT in water-related products, water treatment technology, mapping/design technology, construction and other areas (pipeline orders under the DB*⁶ system, water treatment orders under the DBO*⁷ system, the Kubota Smart Infrastructure System (KSIS), etc.)
		Contribute to creating and preserving a comfortable living environment by enhancing social infrastructures.	  <ul style="list-style-type: none"> • Contribution to the development of environment-friendly, sustainable urban infrastructure <ol style="list-style-type: none"> 1. (Construction machinery) Further spread of eco-friendly construction machinery 2. (Engines) Development of large engines with low fuel consumption (improved output per displacement) 3. (Engines) Development of micro-hybrid engines • Contribution to development of sustainable, resilient urban infrastructure that is resistant to disasters

Common points for food, water and the environment: Expansion of eco-products (sales ratio of eco-products)

People	Cultivate human resources capable of meeting the challenge of the unknown with ingenuity and courage based on respect for others, integrity, customer-first values and a bottom-up approach.		<ul style="list-style-type: none"> • (Quality Assurance) Number of recalls • (Environment) CO₂ emissions from domestic sites • (Procurement) Promotion of CSR procurement • (Safety) Class-A incidents • (Personnel) Percentage of employees with disabilities, percentage of employees taking childcare leave, attainment of Health KUBOTA 21 targets
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*6 Design-Build system, in which a private business contracts out both design and construction to a single private business

*7 Design-Build-Operate system, in which everything from design and construction to operation and maintenance are all contracted out to a single private business