

Social Problems to be Addressed by the Kubota Group and

Social problems to be addressed by the Kubota Group	Approach to creating value (Approach to promoting SDGs)		
 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 	Food	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.
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.		r products,	
 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 		w to offer superio	Contribute to the supply and restoration of reliable water by enhancing water infrastructures.
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:	Water	abilities and know-ho	
Efficient operation of water and sewage projects are expected.		n all of our caps	
 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 		by drawing on	Contribute to creating and pre- serving a comfortable living envi- ronment by enhancing social infrastructures.
Further development due to the social infrastructure accompanying urbanization is also expected.	nment	nt of society	
 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. 	Environment	Work for the development of society	
Greater disaster preparation, and measures to ensure prompt recovery after a disaster are expected.		Work fo	

• Goals for solving the 17 global items indicated in SDGs
The corporate staff departments will take the helm, and promote this as a companywide 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

*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

^{*6} Design-Build system, in which a private business contracts out both design and construction to a single private business

ENVIRONMENT

SOCIETY

GOVERNANCE



Contributions to SDGs

Main related SDGs	The Kubota Group's SDGs KPI	Examples of main initiatives for achieving KPIs in fiscal 2019
2 ZERO KUNGER (() 1 Pomer Řich Řich	 Contribution to food production through further spread of agricultural machinery Promotion of smart agriculture using IoT and robot technologies (Kubota Smart Agri System (KSAS)) 	 Launch of automated driving agricultural machine "Agri Robo Rice Transplanter NW8SA" to succeed tractors and combine harvesters. Advancement towards realizing fully integrated agricultural business systems Started providing agricultural machinery operating rate management service for visualizing positional information and operation information using a smartphone Held a demonstration exhibition of automated driving tractors for people out- side the Company at Kubota Farm in Thailand. Announced electric powered tractor under development
6 CLEAN WATER AND SANITATION	 Contribution to the development of sustainable water infrastructure by offering more products, technologies, and services relating to water, sewage and water treatment facilities. 	 Received a contract for water supply system expansion project in Kampong Thom province, Cambodia (design and construction of water treatment plant and water supply system, and operation, maintenance, and management of the water treatment plant) Received the Minister of Land, Infrastructure, Transport and Tourism Award at the 3rd Infrastructure Maintenance Awards for "Efficient survey technology for sulfuric acid corrosion sites in pressurized sewers"
	 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.) 	 Received a contract for Mt. Myoken water pipeline upgrade project at Naruto City, Tokushima Prefecture, under DB system. Participated in "Sakane Water Treatment Plant and Mitsuishi Daiichi Pressure Pump Station Upgrade Project," a facility project including water treatment plant and an operation and management project for all municipal water supply facilities in Bizen City, Okayama Prefecture, by the DBO system Delivered submerged membranes and <i>Johkasou</i> to improve the water environment in China and Southeast Asia
11 SUSTAINABLE CITIES AND COMMUNITIES TO COMMUNITIES C	 Contribution to the development of environment- friendly, sustainable urban infrastructure (Construction machinery) Further spread of eco- friendly construction machinery (Engines) Development of large engines with low fuel consumption (improved output per displacement) (Engines) Development of micro-hybrid engines Contribution to development of sustainable, resilient 	 Announced electric powered small-scale construction machinery under development Conducting a feasibility study in Europe where the needs of diesel engines are shifting, and aiming to commercialization Proceeding with development of large-scale industrial diesel engines
Common points	for food, water and the environment: Expansion of	and water distribution mains in Los Angeles City.

Common points for food, water and the environment: Expansion of eco-products (sales ratio of eco-products) $% \left(\left(\left(x,y\right) \right) \right) \right) =\left(\left(x,y\right) \right) \right) =\left(\left(\left(x,y\right) \right) \right) =\left(\left(x,y\right) \right) \right) =\left(\left(x,y\right) \right) \right) =\left(\left(x,y\right) \right) =\left(\left(x,y\right) \right) =\left(\left(x,y\right) \right) \right) =\left(x,y\right) =\left(x,$

1	2	3	(Quality Assurance) Number of recalls	(Quality Assurance) Number of recalls: 5 cases		
4	5	6	(Environment) CO ₂ emissions from domestic sites (Procurement) Promotion of CSR procurement	(Environment) CO ₂ emissions from domestic sites: 20.2% reduction compared to RY2014		
7	8	9	afety) Class-A incidents ersonnel) Percentage of employees with disabilities,	(Procurement) Promotion of CSR procurement: CSR procurement questionnaire survey conducted at 171 suppliers; response to the regulations of		
10	11	12	percentage of employees taking childcare	conflict minerals		
13	14	15	leave, attainment of Health KUBOTA 21 targets	(Safety) No class-A incidents: Not achieved (Personnel) Percentage of employees with disabilities: 2.41%		
16	17		laigeis	Percentage of employees taking childcare leave: 55.6% (male)/100% (female) Attainment of Health KUBOTA 21 targets: promoting activities toward 2022 targets		

For more information on the 17 SDGs, see:

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