

Social Report

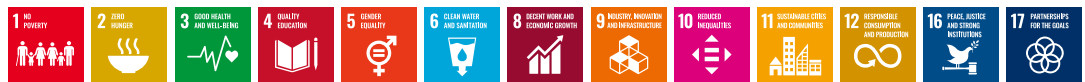
Target and Results Concerning Social Aspects

The Kubota Group aims to increase the satisfaction of its various stakeholders and enhance its corporate value by implementing the PDCA cycle in each category.

Summary of Social Report for FY2019, and Priority Issues for FY2020 and Medium-Term Targets

| Materiality | Major items | Main focus of activity | Plan | Do | Applicable boundary shown to the left |
|---|---|--|--|--|---|
| | | | Priority issues for FY2019 | Activity results in FY2019 | |
| Customers | Customer satisfaction | Quality and services to improve customer satisfaction | <ul style="list-style-type: none"> Strengthen auditing functions | <ul style="list-style-type: none"> In addition to previous quality audits, conducted quality compliance audits for all products for which inspection results records are issued | <ul style="list-style-type: none"> Quality audits Japan: 13 business divisions Overseas: 10 business divisions Quality compliance audits Japan: 16 business divisions Overseas: 5 business divisions |
| | | | <ul style="list-style-type: none"> Ensure that the ISO 9001 requirements are integrated with business processes, and continuously improve the quality and efficiency of work processes | <ul style="list-style-type: none"> Set performance targets and worked to improve processed. Revised companywide processes to ensure effective function of ISO 9001 internal audits | <ul style="list-style-type: none"> All Group companies, including overseas |
| | | | <ul style="list-style-type: none"> Thoroughly investigate the operational status of delivered goods and rapidly solve issues in order to improve satisfaction levels among customers, dealers and suppliers | <ul style="list-style-type: none"> Conducted for all new models in line with plans | <ul style="list-style-type: none"> Kubota Corporation only |
| | | | <ul style="list-style-type: none"> Operate the customer desk service using the new system | <ul style="list-style-type: none"> Began analyzing recordings of customer inquiries from the customer desk service | |
| Suppliers | CSR procurement initiatives | CSR procurement initiatives | <ul style="list-style-type: none"> Further expand the global development of manufacturing improvement activities and promote optimal global procurement | <ul style="list-style-type: none"> Promoted improvement activities based on KPS by uniting procurement managers and suppliers, and developed activities to improve one another's manufacturing globally | <ul style="list-style-type: none"> Kubota Corporation (Farm & Industrial Machinery) All overseas Group companies (Farm & Industrial Machinery) |
| | | | <ul style="list-style-type: none"> Continue to promote suppliers' environmental load reduction activities and maintain the award system for environment-friendly production activities such as saving energy and recycling and aim to expand business with winning suppliers | <ul style="list-style-type: none"> Requested major domestic suppliers assess their own operations with a CSR procurement check sheet | <ul style="list-style-type: none"> Kubota Corporation (Farm & Industrial Machinery) |
| | | | <ul style="list-style-type: none"> Continue to seek understanding of suppliers regarding our policy on conflict minerals and request their cooperation in surveys conducted by the Kubota Group | <ul style="list-style-type: none"> Encouraged business partners to participate in the award system, and awarded those who had promoted environment-friendly production activities Expanded the award system to overseas Group companies | <ul style="list-style-type: none"> Kubota Corporation (Farm & Industrial Machinery) All overseas Group companies (Farm & Industrial Machinery) |
| Shareholders, etc. | Timely and appropriate release of information | Timely and appropriate release of information | <ul style="list-style-type: none"> Encourage extensive information disclosure and constructive dialogue able to meet the wishes of shareholders and investors. This can be accomplished by continuing to hold IR events or meetings, and by improving the website for investors | <ul style="list-style-type: none"> Sought understanding of initiative policies by suppliers and requested their cooperation with surveys conducted by the Kubota Group Requested that suppliers formulate their policies on conflict minerals Increased verification and accuracy of CMRT information received from suppliers | <ul style="list-style-type: none"> All Group companies, including overseas |
| | | | <ul style="list-style-type: none"> Organize tours of facilities as opportunities to promote active talks with individual investors Promote initiatives to increase individual shareholders | <ul style="list-style-type: none"> Engaged in constructive dialogues through meetings and held business briefing sessions (January: About engines business, December: About R&D strategy) in order to encourage shareholders and investors to understand Kubota's business further Redesigned the landing page of our website for investors to improve user convenience | <ul style="list-style-type: none"> Kubota Corporation only |
| | | | <ul style="list-style-type: none"> Disseminate straightforward corporate information so as to further understanding and increase brand appeal Provide information in response to regional marketing | <ul style="list-style-type: none"> Organized a plant tour for shareholders Held a Company explanation session for investors, participated in IR fairs, etc. | <ul style="list-style-type: none"> All Group companies, including overseas |
| Employees | Creating a safe workplace for all employees | Creating a safe workplace for all employees | <ul style="list-style-type: none"> Put in place measures to prevent the recurrence of equipment abnormalities | <ul style="list-style-type: none"> Produced materials introducing Kubota's initiatives towards business, the latest technologies, and SDGs Created a website template for machinery sales companies overseas, and strengthened both our ability to broadcast our message around the world, including in emerging countries and our brand appeal | <ul style="list-style-type: none"> All domestic Group companies |
| | | | <ul style="list-style-type: none"> Promote safety measures based on the Safety Control Guidelines for assessment and promotion of inherently safe equipment | <ul style="list-style-type: none"> Promoted the prevention of abnormalities in equipment by "visualization" of abnormalities and conducted activities to eliminate disasters by removing abnormalities themselves | <ul style="list-style-type: none"> 6 domestic Group companies 16 overseas Group companies |
| | Creating a vibrant workplace | Creating a vibrant workplace | <ul style="list-style-type: none"> Continue to share information with labor-management committees | <ul style="list-style-type: none"> Shared information and held discussions in various labor-management committees (central, business sites) on current issues, etc. Discussed and promoted initiatives for securing a work-life balance (promoting the use of annual paid leave, etc.), improving the workplace environment, etc. Discussed response to revisions of labor-related laws and regulations, examined measures to be taken, and promoted the implementation thereof | <ul style="list-style-type: none"> Kubota Corporation only |
| | | | <ul style="list-style-type: none"> Promote specific measures based on the "Kubota Wellness (Mental Health) Action Plan" across the Kubota Group | <ul style="list-style-type: none"> Introduced jointed training content supervised by an EAP consultant to line-care and self-care training at each base | <ul style="list-style-type: none"> All domestic Group companies |
| | Creating rewarding and lively workplaces | Respecting human rights | <ul style="list-style-type: none"> Prevent harassment (sexual, maternity and power harassment, etc.) and improve the capacity to resolve harassment in Japan | <ul style="list-style-type: none"> Continued awareness-raising activities for the prevention and resolution of harassment (sexual, maternity or power harassment, or harassment against LGBT) within Japan, including distributors | <ul style="list-style-type: none"> All domestic Group companies |
| | | | <ul style="list-style-type: none"> Assess the human rights conditions at overseas sites and continue to consider human rights activities with an understanding of international standards relating to human rights, while referring to the initiatives taken by other companies | <ul style="list-style-type: none"> Assessed the human rights conditions at overseas sites and implemented activities in accordance with the human rights standards of each country, such as announcing a statement on the UK Modern Slavery Act | <ul style="list-style-type: none"> All Group companies, including overseas |
| | Personnel policies in tune with globalization | Promotion of diversity | <ul style="list-style-type: none"> Promote development of female employees Hold ongoing training for female prospective managers Carry out in-depth study of diversity management Promote main action plan for general business law supporting women's activities Expand the scope of diversity | <ul style="list-style-type: none"> Shared information and held discussions in various labor-management committees (central, business sites) on current issues, etc. Discussed and promoted initiatives for securing a work-life balance (promoting the use of annual paid leave, etc.), improving the workplace environment, etc. Discussed response to revisions of labor-related laws and regulations, examined measures to be taken, and promoted the implementation thereof | <ul style="list-style-type: none"> Kubota Corporation only |
| | | | <ul style="list-style-type: none"> Continue to study/implement human resource policies essential to promote global management | <ul style="list-style-type: none"> Continued training for next-generation managers in North America, and enhanced programs to accept trainees at Kubota sites in Japan for the purpose of developing candidates as managers and supervisors, and engineers of overseas Group companies | <ul style="list-style-type: none"> All Group companies, including overseas |
| <ul style="list-style-type: none"> Foster compliance-minded employees based on the Rule of Conduct | | <ul style="list-style-type: none"> Conducted training for managers at all companies in Europe to acquire the necessary knowledge for creating a strong organization and strengthening the system of cooperation Enhanced overseas trainee program and continued the program to dispatch interns to Harvard Business School | <ul style="list-style-type: none"> Overseas Group companies | | |
| <ul style="list-style-type: none"> Build a system to aggregate activity results both inside and outside Japan, and release it next fiscal year in the web version Report Support activities conducted locally by overseas sites | | <ul style="list-style-type: none"> Collated the Rule of Conduct (all domestic Group companies) Spread the corporate principles through the training of new employees and company newsletters | <ul style="list-style-type: none"> Kubota Corporation only | | |
| Communities | Social contribution activities | Contributions to international and local communities | <ul style="list-style-type: none"> Build a system to aggregate activity results both inside and outside Japan, and release it next fiscal year in the web version Report Support activities conducted locally by overseas sites | <ul style="list-style-type: none"> Started disclosure of tests Held opinion exchanges between supervisors at overseas sites | <ul style="list-style-type: none"> All Group companies, including overseas |
| | | | <ul style="list-style-type: none"> Continuously promote reconstruction support activities true to Kubota style, remaining aware of the themes of food, water, and the environment | <ul style="list-style-type: none"> Investigated and conducted support activities for disaster-stricken areas (dispatched volunteers to areas affected by Typhoon No. 19, etc.) in a way only Kubota can | <ul style="list-style-type: none"> All domestic Group companies |

<SDGs related to this section>



| Materiality | Major items | Main focus of activity | Check | Act | Plan |
|--------------------|---|--|-----------------|---|---|
| | | | Self-assessment | Priority issues for FY2020 | Medium-term targets |
| Customers | Customer satisfaction | Quality and services to improve customer satisfaction | ○ | ●Phase-in testing automation systems | ●Strengthen awareness of rules concerning quality assurance, and review governance |
| | | | ○ | ●Strengthen ICT usage and quality assurance functions | ●Be able to respond rapidly to issues with quality |
| | | | ○ | ●Improve satisfaction among customers by improving the accuracy and speed of responses ●Increase the percentage of customers looking at online FAQs while also raising the ratio of issues that are resolved successfully | ●Improve operations to better reflect the customers' voices relayed by the customer service desk ●Strengthen response to customers' needs, including inspections and maintenance |
| Suppliers | CSR procurement initiatives | CSR procurement initiatives | ○ | ●Further expand the global development of manufacturing improvement activities and promote optimal global procurement ●Get a firm idea of suppliers' CSR systems, which is linked to improvement ●Expand the suppliers eligible to receive awards for environment-friendly activities and environmental load reduction activities such as saving energy and recycling, and expand the awards both in Japan and overseas ●Continue to seek understanding of suppliers regarding our policy on conflict minerals and request their cooperation in surveys conducted by the Kubota Group | ●Promote practices according to guidelines by suppliers of each Kubota Group company and spread CSR procurement through the supply chain |
| | | | ○ | ●Promote disclosure of a wide range of information and constructive dialogues able to meet demand of shareholders and investors through holding IR events and meetings continuously ●Enhance information disclosure in annual securities reports in accordance with revised Cabinet Office ordinance ●Conduct activities to continuously create new shareholders ●Implement measures to encourage existing shareholders to hold their shares for a long period of time ●Disseminate straightforward, timely corporate information, also using digital medium, so as to further understanding and increase brand appeal ●Strengthen consistent brand for the entire Group in Japan and overseas | ●Hold ongoing dialogue with stakeholders through meetings and IR events, which contributes to the enhancement of corporate value on a medium- to long-term basis ●Promote IR activities to ensure an appropriate stock value reflecting the actual circumstances of the Company ●Obtain the trust of all stakeholders and strengthen the base of stable shareholders through the timely and appropriate release of information ●Strengthen mid- to long-term brand communication and information dissemination responding to local needs |
| Shareholders, etc. | Timely and appropriate release of information | Timely and appropriate release of information | ○ | ●Put in place measures to prevent the recurrence of equipment abnormalities ●Promote safety measures based on the Safety Control Guidelines for assessment and promotion of inherently safe equipment | ●Aim for all Kubota Group employees to position safety as the top priority in all tasks and achieve zero incidents that have the potential to lead to serious accidents such as entrapment and entanglement by machines |
| | | | ○ | ●Continue to share information and hold discussions at labor-management committees ●Promote specific measures based on the "Kubota Wellness (Mental Health) Action Plan" across the Kubota Group - Strengthen initiatives to improve working environments ●Continue to promote the second phase of Health Kubota 21 - Plan health promotion events focusing mainly on the annual theme of "No-smoking" ●Promote stronger anti-cancer measures Conduct gastric cancer risk tests on all employees | ●Provide vibrant workplaces, and make it so that all employees of the Kubota Group can live rich, healthy lives |
| Employees | Creating rewarding and lively workplaces | Creating a safe workplace for all employees | ○ | ●Prevent harassment (sexual, maternity or power harassment, or harassment against LGBT) and improve the capacity to resolve harassment in Japan by enhancing contact points for consultation ●Promote activities with an understanding of international standards relating to human rights | ●Spread activities to raise awareness of human rights across the entire Kubota Group, both inside and outside Japan |
| | | Creating a vibrant workplace | ○ | ●Examine further systems to support balancing family life with work ●Further promote employment of people with disabilities across the Kubota Group ●Examine LGBT-related measures ●Examine measures for foreign-national employees | ●Continue promoting diversity management (Investigate how to foster a corporate culture/create policies that draw out the abilities and ambitions of all employees, regardless of gender, nationality, age, etc.) |
| | | Respecting human rights | ○ | ●Continue to study/implement human resource policies essential to promote global management | ●Continue training for next-generation managers in North America, training for local managers in Europe, and enhanced programs to accept trainees at Kubota sites in Japan for the purpose of developing candidates as managers and supervisors, and engineers of overseas Group companies ●Continue overseas language training programs (overseas exchanges, language training in North America and the Philippines, internships at overseas companies, etc.) ●Enhance overseas trainee program and continued the program to dispatch interns to Harvard Business School |
| | | Promotion of diversity | ○ | ●Implement e-learning and other programs based on the Rule of Conduct ●Promote activities to instill the corporate principles, which are tied to promoting SDGs activities | ●Foster CSR- and compliance-minded employees based on the corporate principles and the Rule of Conduct |
| Communities | Social contribution activities | Contributions to international society and local communities | △ | ●Build a system to aggregate activity results both inside and outside Japan, and release it next fiscal year in the web version Report ●Support activities conducted locally by overseas sites | ●Expand overseas initiatives ●Promote ties with NGOs, NPOs and other organizations |
| | | Rejuvenation and reconstruction of areas affected by natural disasters | ○ | ●Continuously promote reconstruction support activities true to Kubota style, remaining aware of the themes of food, water, and the environment | |