

Third-Party Comments

Third-Party Comments on the KUBOTA REPORT 2020



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■ The World After COVID-19

2020 will go down in history as the year of the worldwide COVID-19 pandemic. In a global crisis of this kind, I think possessing the DNA of the Kubota Group—whose founding mission was a wish to rescue humanity from the scourge of cholera—is highly significant. The Kubota Group’s business fields of water, food and the environment are the foundation on which the world’s values will be rebuilt. In this task, the concept of being a “platform provider supporting life” presented by President Yuichi Kitao in his message will be very important, and I expect to see great results from its concrete rollout.

■ Contributing to the SDGs through innovation

The highly interesting interview between Hiroko Kuniya and Chairman Masatoshi Kimata illustrates the detailed content of the Kubota Group’s initiatives in support of the SDGs and the strength of its commitment. Among his comments on related activities, it is significant that the Chairman says that he wants to hand this mission on to the rising generation of young people. To ensure that the SDGs amount to more than just sloganizing by giving responsibility to the younger generation, the necessary structures also need to be put in place. For example, the Kubota Group has been engaged since 2013 in activities to instill the corporate principles. In coordination with these activities, I wonder whether you have considered setting up and supporting concrete SDG projects led by the younger generation? I think that bringing the corporate principles and SDGs together in this way could stimulate fresh innovation.

■ Advanced environmental information disclosure

The Kubota Group is rolling out advanced environmental information disclosure, including information disclosure on climate change-related risks and opportunities in line with TCFD standards and information disclosure on greenhouse gases including Scope 3 emissions in the supply chain. These activities at world-leading level have been highly commended by the Carbon Disclosure Project. However, as far as the assessment of risks and opportunities is concerned, in many instances this is still at the qualitative stage, so I think the task going forward will be to move on to quantifying activity where possible. If risks and opportunities can be visualized, it will be possible to improve the accuracy of the resulting measures.

■ Overseas activities

Agriculture, which is the Kubota Group’s main business, is one that helps create shared values with local communities. In light of this, the policy of actively localizing business management deserves strong commendation. As apparent in the introduction of the overseas trainee system and the example of Thailand, your approach here has been very carefully thought out. As one example, it has included attention to creating a conducive environment for female employees. You have successfully translated the positive aspects of the Kubota Group in Japan to the overseas environment to help solve local problems. I think that this localization approach can serve as one model for global expansion by Japanese enterprises, and I hope to see you accumulating a record of practical achievement that will set the standard for other companies.

In Response to the Third-party Comments

We wish to express our sincere appreciation to Dr. Kokubu for having provided invaluable third-party comments.

KUBOTA REPORT 2020 highlights the Kubota Group's role—from its foundation and into the future—as a global leader in identifying and resolving issues. Put together around themes including business development responsive to local needs, innovation, total solutions, and Kubota's unique sustainability as a platform provider supporting life, the report also focuses on the SDGs, particularly in the area of climate change.

In his piece entitled *The World After COVID-19*, Professor Kokubu has given a very generous assessment of the Kubota Group, the mission and the business fields it has pursued since its foundation, and its concept of being a platformer supporting life, which has provided us with great encouragement.

We intend to take on board the opinions the professor has voiced and give them serious consideration going forward. We hope that the professor will continue to provide us with invaluable insights.

For the Kubota Group, the corporate principles expressed in Kubota Global Identity is at the core of its management approach. With the three business fields of food, water, and the environment at the center of its operations, Kubota looks forward to continuing expansion in both its business opportunities and social responsibilities.

Towards its goal of becoming a Global Major Brand able to contribute the maximum to society, the Kubota Group and its 41,000 employees will continue uniting in efforts to grow as a corporate group that society trusts and values as essential.



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