

For Earth, For Life
Kubota

KUBOTA REPORT 2015

Business and CSR Activities
<Digest Version>



For Earth, For Life



KUBOTA REPORT 2015 <Digest Version> Contents



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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 keep all stakeholders informed.

Regarding the Relationship between Digest Version and Full Report Version

The Digest 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 Full Report Version is formatted to disclose corporate information, which is continuously reported, in fuller detail and provides a more in-depth view of the content covered in the Digest Version.

Additionally, the HTML format has been prepared from the fiscal 2015 version. PDF data is available for printing.



KUBOTA REPORT 2015 Full Report Version
<http://www.kubota-global.net/csr/report/index.html>

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



Population facing hunger (As of 2012)

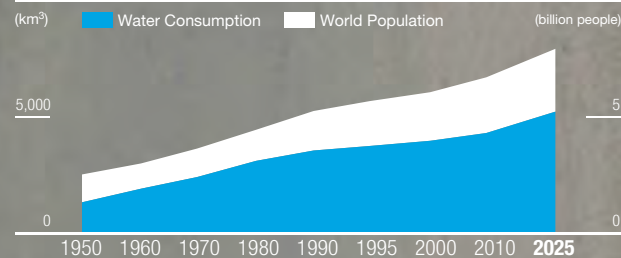


Sources: United Nations Food and Agriculture Organization (FAO) website, "World Statistics 2015," Japan Ministry of Internal Affairs and Communications Statistics Bureau website

Contributing to supply and restore reliable water by enhancing water infrastructures.

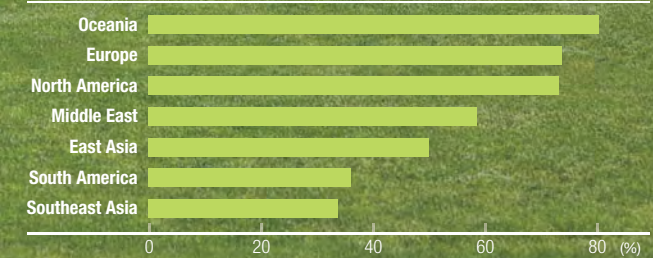
Contributing to create a comfortable living environment by enhancing social infrastructures.

Trends in World Population and Water Consumption



Source: "Response to International Water Resource Issues," Japan Ministry of Land, Infrastructure, Transport and Tourism website

Residential wastewater treatment rate Avg. by region



Source: "Analysis of Current Status and Issues Relating to the International Development of Water & Sewage Fields," Ministry of Land, Infrastructure, Transport and Tourism

Manufacturing Spirit of Market-leading the KUBOTA Group — Answering User Trust

The technologies of the KUBOTA Group are contributing to resolving the problem facing society in Japan, and throughout the entire world

Agricultural machinery

Since the food shortage following World War 2, KUBOTA has contributed to the evolution of Japan's agricultural industry and produced agricultural machinery focused on rice cultivation that ensures customers' trust through solid technology and quality. As a leading company in the domestic agricultural machinery market—tractors, combine harvesters, rice transplanters—KUBOTA is the driving force behind streamlining and labor-savings in the agricultural industry. Moreover, in Asia, North America and Europe, our products are also used in numerous applications in addition to farming. From Japan to the world, from rice-growing to upland field farming, The KUBOTA Group continues to advance in leaps and bounds.



Engines

Our engines satisfy the requirements of exhaust regulations in countries around the world. The KUBOTA Group holds the world's top share for industrial diesel engines with displacements of less than 100hp.



Upland farming is said to occupy four times more land than rice-growing worldwide.

Rice-growing is the major focus in Asia; however, upland farming is practiced throughout the world and is said to occupy four times the amount of land as rice-growing. Furthermore, the market for large tractors used in upland farming is said to be worth four trillion yen worldwide; 80% of which is concentrated in Europe and America. The KUBOTA Group is rising to the challenge of entering the unknown territory of the large upland tractor market based on technologies accumulated through rice-growing in Asia.

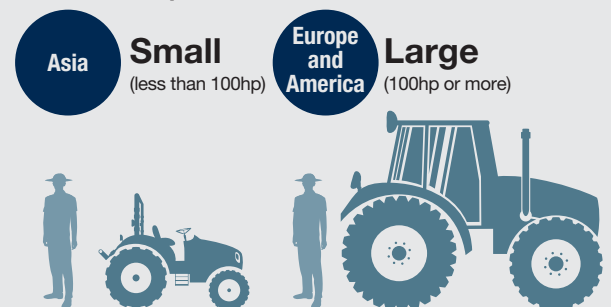
(For details on the KUBOTA Group activities, please refer to "Feature 1" on pages 7 and 8.)

Farmland area comparison



Source: Food and Agriculture Organization of the United Nations (FAO)

Comparison of main machinery sizes used in Asia, Europe and America



The KUBOTA Group has numerous products that are leading the market in both Japan (e.g., agricultural machinery, iron pipe, plastic pipe) and throughout the world (e.g., compact excavators, diesel engines, reformer tubes etc.). This is solid proof that we are trusted by the market and our users. The KUBOTA Group will continue striving to maintain its position as a corporate group that pursues the trust and convenience of its users by offering products, technologies and services with unwavering quality and performance.

Construction machinery

Our small construction machinery plays a major role in urban infrastructure development, etc. The KUBOTA Group holds the world's top share in the compact excavators category (6t or less).



Pipe systems and water treatment facilities

Represented by the iron water pipes passed down from the founder as its core business, KUBOTA is a comprehensive manufacturer of water-related products, from the intake of water to its discharge, including major products such as pumps, valves and water treatment facilities. Within Japan, in addition to our flagship iron pipes, we have made several accomplishments as a top brand in the water treatment field.



Many regions are unable to access safe drinking water and this has become a global issue.

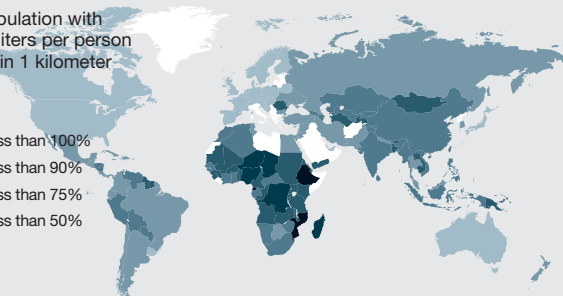
In developed nations, including Japan, practically all people are able to easily access good-quality water. However, looking at the world on a whole, many people are unable to secure safe drinking water and this has become a major issue. Moreover, approximately 70% of the world's fresh water is used by the agricultural industry. As a comprehensive manufacturer of water-related products, the KUBOTA Group is supporting water infrastructure in the Middle and Near East and countries throughout the world, thus contributing to the realization of an environment where people can access safe water.

(For details on the KUBOTA Group activities, please refer to "Feature 3" on pages 11 and 12.)

Percentage of population with access to safe drinking water

Percentage of population with a minimum of 20 liters per person of safe water within 1 kilometer of their residence

- 100%
- 90% or more, less than 100%
- 75% or more, less than 90%
- 50% or more, less than 75%
- 25% or more, less than 50%
- Less than 25%
- No data

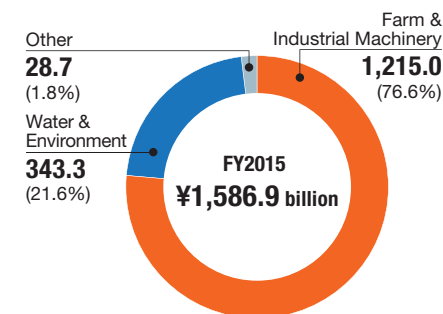


Source: "2006 Human Development Report," United Nations Development Programme (UNDP)

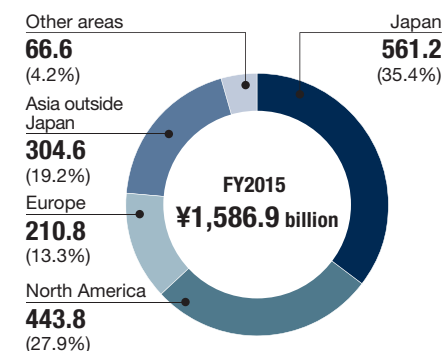
Corporate Data (As of March 31, 2015)

Corporate Name KUBOTA Corporation
Head Office 2-47, Shikitsu-higashi 1-chome, Naniwa-ku, Osaka 556-8601 Japan
Established 1890
Capital ¥84.0 billion
Total number of shares issued 1,246,219,180
Number of shareholders 31,598
Revenues (Consolidated) ¥1,586.9 billion
Number of employees (Consolidated) 35,487

Revenues by reporting segment (billion yen)



Revenues by region (billion yen)



Financial and Non-financial Highlights

"Number of female managers" and "number of people who have completed foreign language training," showing figures for KUBOTA Corporation only. The remaining indicators are tallied for all organizations included in the consolidated financial statements.

3-year Summary of Key Financial Data

(in billions of yen)

FY	2013	2014	2015
Year ended March 31:			
Revenues	¥ 1,210.6	¥ 1,508.6	¥ 1,586.9
Operating income	121.4	202.4	204.1
Income before income taxes and equity in net income of affiliated companies	127.2	211.3	211.3
Net income attributable to KUBOTA Corporation	78.1	131.7	140.0
Capital investments	50.5	51.2	50.7
Depreciation and amortization	29.9	35.3	38.2
R&D expenses	32.0	35.6	39.5
Net cash provided by operating activities	49.3	83.3	84.0
Free cash flow*1	0.1	30.2	37.3

As of March 31:

Total assets	¥ 1,846.6	¥ 2,104.7	¥ 2,476.8
Shareholders' equity	793.3	934.8	1,101.0
Interest-bearing debt	510.0	586.9	767.6

Per share data:

Earnings per share (EPS)*2	(Yen)	62.15	104.94	112.07
Book-value per share (BPS)*3	(Yen)	631.64	748.00	883.84
Annual cash dividends	(Yen)	17	28	28

Financial indicators:

Operating margin	(%)	10.0%	13.4%	12.9%
Return on assets (ROA)*4	(%)	7.5%	10.7%	9.2%
Return on equity (ROE)*5	(%)	10.6%	15.2%	13.8%
Shareholders' equity to total assets	(%)	42.9%	44.4%	44.4%
Debt equity ratio*6	(times)	0.64	0.63	0.70

*1 Free cash flow = Net cash provided by operating activities – Purchases of fixed assets

*2 Earnings per share (EPS) = Net income attributable to KUBOTA Corporation ÷ Weighted average number of common shares outstanding

*3 Book-value per share (BPS) = Shareholders' equity ÷ Number of common shares outstanding as of each balance sheet date

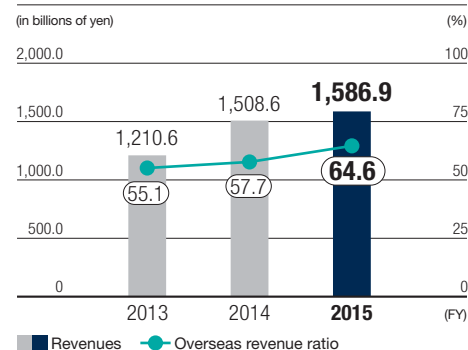
*4 Return on assets (ROA) = Income before income taxes ÷ Total assets (average of beginning and end of fiscal year)

*5 Return on equity (ROE) = Net income attributable to KUBOTA Corporation ÷ Shareholders' equity (average of beginning and end of fiscal year)

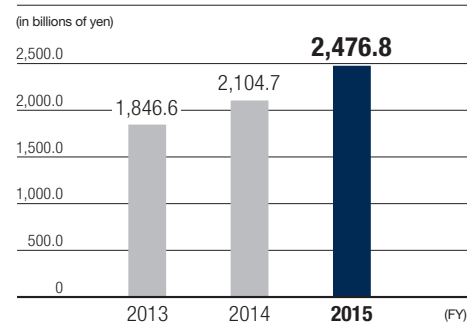
*6 Debt equity ratio = Interest-bearing debt ÷ Shareholders' equity

Please refer to the Annual Securities Report for the detailed financial information. (<http://www.kubota-global.net/ir/financial/yo/index.html>)

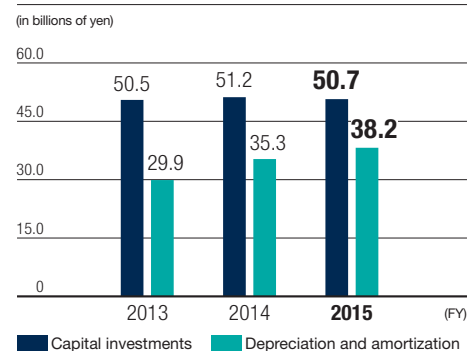
Revenues and overseas revenue ratio



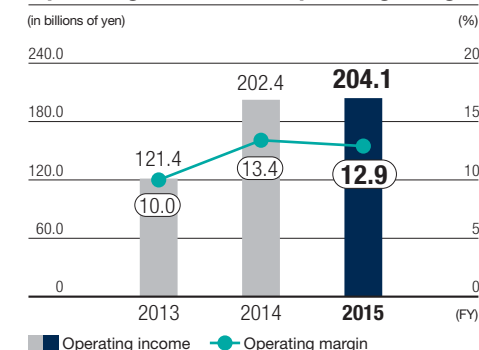
Total assets



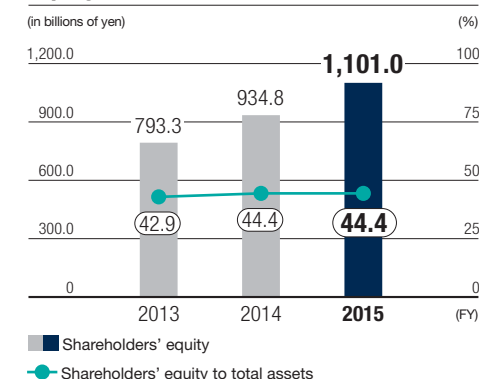
Capital investments, depreciation and amortization



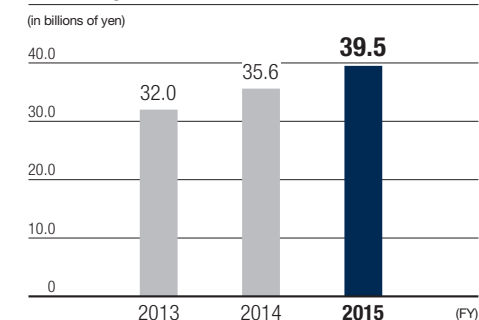
Operating income and operating margin



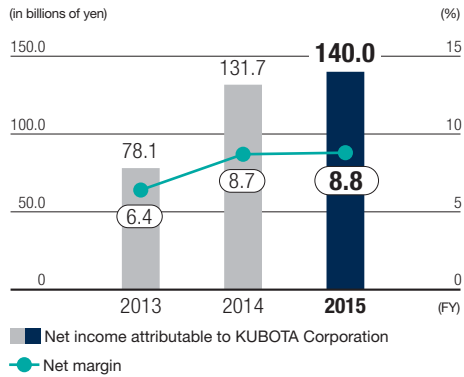
Shareholders' equity and shareholders' equity to total assets



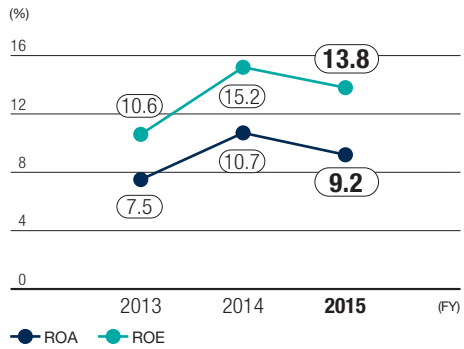
R&D expenses



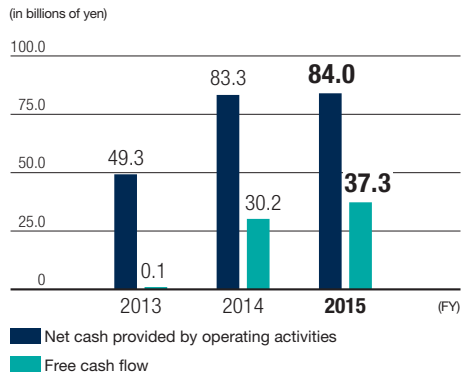
Net income attributable to KUBOTA Corporation and net margin



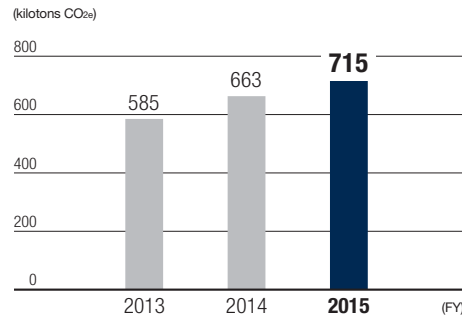
ROA*4.ROE*5



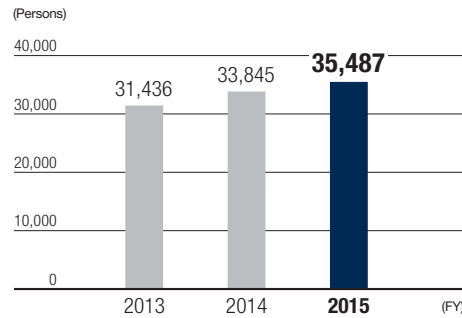
Net cash provided by operating activities and free cash flow*1



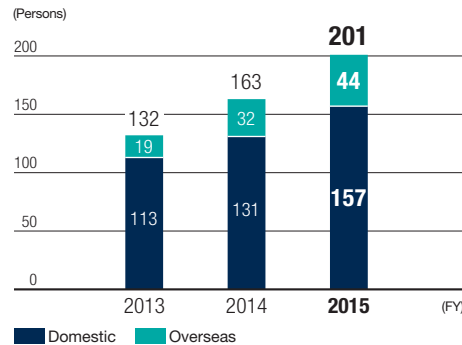
CO₂ emissions



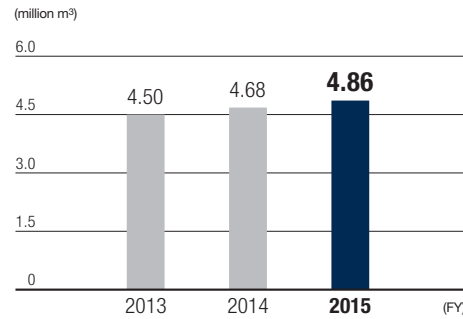
No. of employees



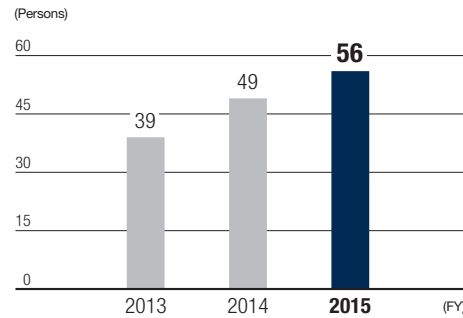
No. of participants in the skills competition



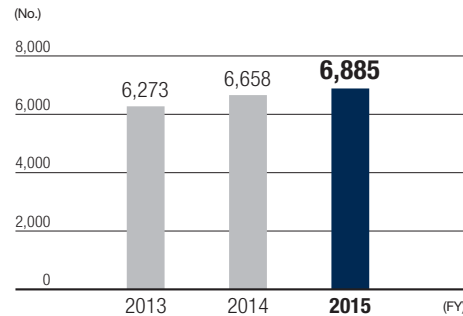
Total water consumption



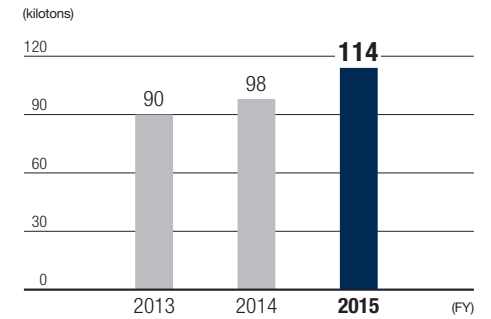
No. of female managers (KUBOTA Corp.)



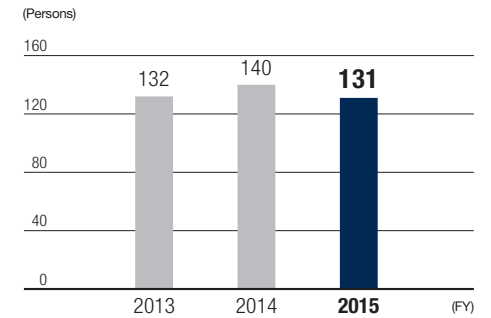
No. of patents/new utility model



Waste discharge



No. of employees who have completed foreign language training (KUBOTA Corp.)



Status of entry in the SRI Index

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

MS-SRI
(As of January 5, 2015)

MEMBER OF THE INVESTMENT REGISTER
ETHICAL EXCELLENCE

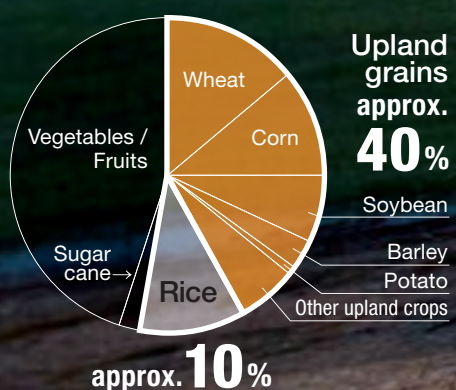
MSCI 2015 Constituent
MSCI Global Sustainability Indexes

Contributing to Increased Food Production

Introducing Large 170hp Tractors That Achieve Low-cost, Precision Upland Farming

With the world's population predicted to continue rising, the demand for highly-efficient food production continues to grow; in particular, the low-cost, precision farming of upland crops that occupy a high percentage of arable land. Towards achieving this objective, KUBOTA launched the M7001 Series—a large 170hp-class tractor—in September 2014. KUBOTA is the only Japanese manufacturer with a presence in this class of the agricultural machinery market. Moving forward, the plan is to popularize large upland agricultural machinery that achieves low-cost, precision farming in the large-scale upland crop production regions of Europe, the United States and other regions, thus contributing to the global issue of increasing food production.

Distribution of world arable land - Mainstream upland crops -



Source: Produced by KUBOTA based on data from the United Nations Food and Agriculture Organization (FAO)

Responding to the Need for Low-Cost, Precise, Large-Scale Upland Farming

To date, the KUBOTA Group had expanded its agricultural machinery business with a focus on rice-growing markets in the Asian region, which required small, lightweight machinery. However, looking at food production from a worldwide perspective, it is apparent that the area of arable land used for upland crops such as wheat, corn and soybean is roughly four times that used for growing rice. Upland farming is particularly mainstream in Europe and the United States, and large, high-horsepower agricultural machinery is required. Moreover, there is a growing demand for precision farming, which improves yield and quality at a lower cost and reduces the burden on the environment by utilizing innovations such as information technology.

In order to meet such needs, in May 2012, KUBOTA acquired the Kverneland Group—a Norwegian manufacturer of farming implements (e.g., devices equipped on tractors such as planters and sprayers)—making it a wholly-owned subsidiary. Then, in December 2013, KUBOTA established Kubota Farm Machinery Europe S.A.S.—a large-scale tractor manufacturing company—in northern France, which is Europe’s primary upland farming region. Following this, the company completed preparations for full-scale entry into the upland agricultural machinery market.

Optimizing Multiple Functions with Simple Operations, Conserving Materials and Fuel

September in 2014, development of the M7001 Series upland tractor to be manufactured by the French company was completed. It is anticipated that the introduction of this new series—consisting of three types ranging from 130-170hp*1—will enhance the synergies created by acquiring the Kverneland Group.

The emergence of precision farming has resulted in more complicated machinery operations, and the M7001 Series is designed to provide simplified and improved operation by displaying information related to the tractor and its various implements on a single screen. Additionally, through optimal control that integrates the tractor’s engine, transmission and hydraulic functions together with any implements being used, work efficiency is significantly improved; conserving materials such as seeds, fertilizer/chemicals and fuel, thus amounting to a tractor that realizes low-cost, precision farming. Moreover, a wide cabin and centralized operation within hands-reach make it possible to work for long hours without tiring as easily.

*1 Models sold differ depending on country and region.

Contributing to Solving World Food Problems while Expanding Product Lineup

Production of the M7001 Series began in the spring of 2015, and tractors are gradually being introduced to various markets such as Western Europe, North America, Australia and Japan. They are receiving high evaluations from regional dealers in Europe and the United States, and orders exceeding the planned production number for the first year have already been secured. Even in Japan, the scale of farming operations is growing, and as such, sales are being promoted with a focus on large-scale upland and dairy farming in areas such as Hokkaido, where there is an increasing demand for high-horsepower tractors.

In order to respond to this growing demand in regions around the world, KUBOTA plans to expand its lineup further, developing and introducing even larger-class machines to the market; thereby contributing further to solving world food problems.



Integrating the technologies of KUBOTA and Kverneland in pursuit of the perfect match between tractor and implements

Selected for Machine of the Year 2015 at Europe’s Large-Scale Agricultural Machinery Show

The Paris International Agri Business Show (SIMA) was held in February 2015, attracting approximately 250,000 visitors to view exhibits by approximately 1,700 companies from 42 countries. At this show, Machine of the Year 2015 for 17 categories was selected by votes from agricultural trade journals and magazines, and announced. KUBOTA’s M7001 Series upland tractor and Kverneland’s Vicon Fast Bale were both awarded Machine of the Year 2015 in the 120-180hp tractor for agricultural use and baler² categories, respectively.

² An agricultural machine which compresses and packages cut and gathered hay, etc.

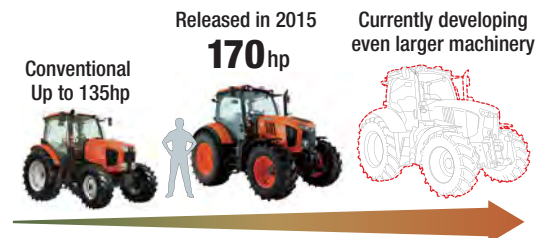


M7001 Series



Vicon Fast Bale

Evolution of High-horsepower KUBOTA Tractors

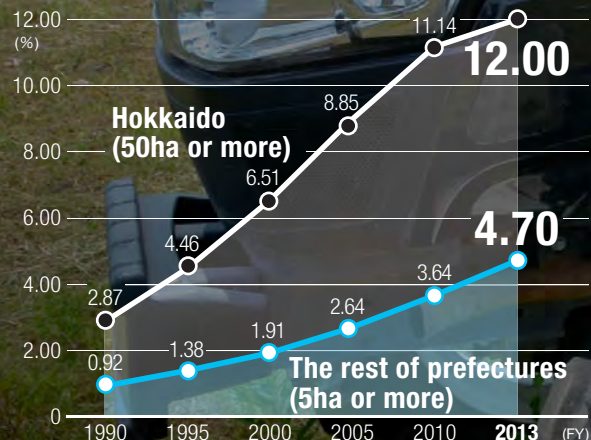


Supporting Farm Operations with ICT

KUBOTA Smart Agri System (KSAS) is Innovating Agricultural Crop Production and Farm Management

In Japan, the total number of farmers continues to decline year after year, yet at the same time, the number of farmers who own large-scale farms is increasing. In order to support these large-scaled farmers, KUBOTA developed the KUBOTA Smart Agri System (KSAS), which is a fusion of agricultural machinery and information and communication technologies (ICT). This service commenced in June 2014, and is now supporting the production of high-yield, high-quality crops and efficient farm management through the expansion of farming operations.

Percentage of farmers who own large-scaled farm(Japan)



Source: Produced by KUBOTA based on "The 2010 Census of Agriculture and Forestry" and "The Agricultural Structure Dynamics Survey" of the Japan Ministry of Agriculture, Forestry and Fisheries



KSAS integrating and linking agricultural machinery and ICT

The scale of agriculture continues to increase, and the number of farmlands being managed is growing along with the variety of crops being produced. Amidst this, a major issue for Japan's large-scaled farmers is how to manage productivity and cost, as well as efficiently grow safe, reassuring and good-tasting farm produce. In response to these needs, KUBOTA leveraged its strengths as a manufacturer of agricultural machinery to develop the KSAS farm management support system.

By integrating agricultural machinery and ICT, this new service aims to achieve the visualization of information relating to crops and work, and use this information to produce high-yield, high-quality crops as well as support efficient farm management.

Simultaneous Market Launch of KSAS-compatible Agricultural Machinery

In parallel with beginning this service in June 2014, KUBOTA introduced new-model combine harvesters, rice transplanters and tractors compatible with KSAS to the market. These machines come with a wireless LAN function as standard equipment. Information on machine operations and other data is stored on a cloud server through an information terminal called KSAS Mobile.

Additionally, agricultural information—the data stored for each piece of machinery used by the customer—is provided automatically, making it possible to carry out appropriate maintenance and prevent machinery breakdown before it happens.

Know-how and Traceability –Visualizing Farm Management

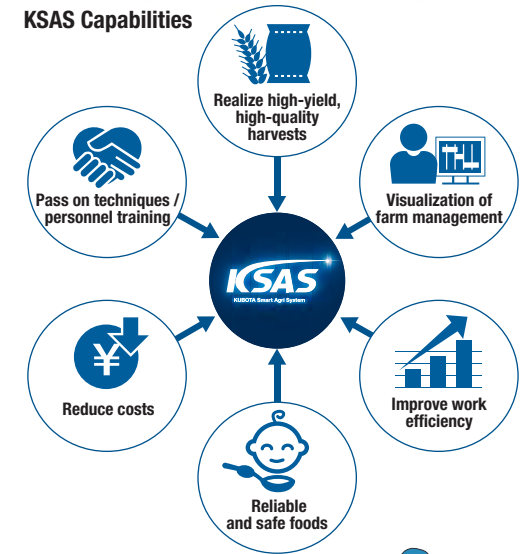
KSAS-compatible combine harvesters are equipped with a sensor to measure taste and yield. This is done by detecting the yield and protein and water content ratio—which influence taste—at the time of harvesting. Rice transplanters are equipped with a function to electronically adjust the amount of fertilizer applied. For example, it is possible to plan the optimal amount of fertilizer to be applied to a field based on data gathered from the taste-yield sensor. By sending the information to the rice transplanter, the optimal amount of fertilizer can be applied; not only improving yield and quality, but also reducing cost. Moreover, the work information recorded can be used as cultivation history information, helping to pass on know-how and securing traceability. In other words, KSAS visualizes farm management.

KUBOTA will continue to develop systems and agricultural machinery that support efficient farming and contribute to expanding the business of large-scaled farmers.



Farmer using a computer

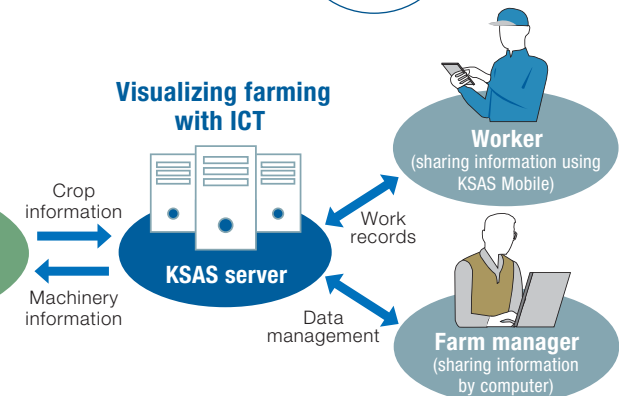
KSAS Capabilities



KSAS System configuration



Visualizing farming with ICT

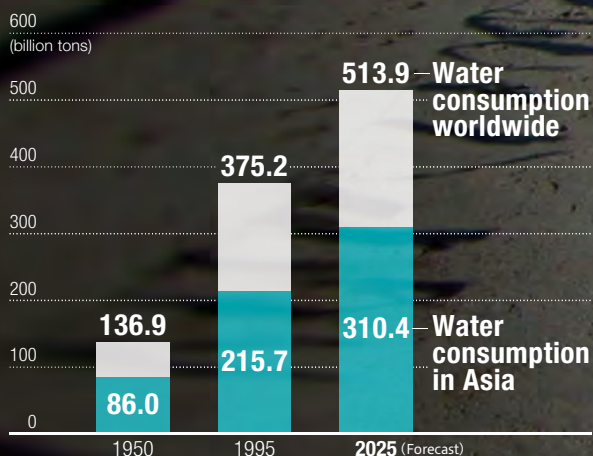


Advancing Together with Water

Contributing to the Water Infrastructure in Asia

The dawn of Japan's modern waterworks began in 1893 and KUBOTA was there, involved in development of the water infrastructure. In the 125 years that have passed since then, it is not an overstatement to say we have advanced together with water. KUBOTA also has a long history of involvement in overseas water infrastructure, being the first Japanese company to implement a water works project overseas in Cambodia during the 1950s. Leveraging our technologies and achievement accumulated in Japan, we are currently promoting the overseas expansion of our water-related business with a focus on Asia and the Middle East. This section introduces specific examples.

Rapidly Increasing Water Usage in Asia



Source: "Response to International Water Resource Issues," Japan Ministry of Land, Infrastructure, Transport and Tourism website

Description of photo: Water Security Mega Reservoirs Project construction site in Qatar. The ductile iron pipe has excellent durability and is corrosion-resistant and earthquake-resistant, earning it an excellent reputation in many countries, particularly Middle Eastern countries where water resources are scarce.

Contributing to Securing Domestic Water in the Desert Country of Qatar

Triggered by factors such as the rapid population growth and economic development in emerging nations, the demand for water continues to rise worldwide. Meanwhile, the issue of water pollution is growing increasingly severe and there is an urgent need to secure a sufficient amount of reliable and safe water.

Securing domestic water is one of the most pressing social issues, particularly in Middle Eastern countries located in desert regions. Since the 1970s, KUBOTA has contributed to waterworks infrastructure projects in Middle Eastern countries and our achievements, technological and product strengths, and overall strength in water-related fields have been highly regarded. As a result, we successfully obtained an order for a 290km-long—approximately 200,000t—section of a 570km pipeline for the Water Security Mega Reservoirs Project being promoted by Qatar General Electricity & Water Corporation. Once complete, this water pipeline will be able to provide the 1.3 million residents of Doha with domestic water for seven days.

KUBOTA will continue to promote sales activities of waterworks-related products such as piping, pumps and valves as a means of contributing to the resolution of the world's water issues.

Contributing to Southeast Asia Water Infrastructures

In Vietnam, Indonesia, Myanmar and other emerging countries in Southeast Asia, the development of industrial parks is proceeding at a rapid pace in line with economic growth. In the construction of industrial parks, the water infrastructure often emerges as an issue. KUBOTA possesses high technological capability in this field, and is leveraging its strengths that enable it to make wide-ranging proposals, from infrastructure products such as iron pipe and pumps to the construction of water purification and sewage treatment plants. As a result, we have received orders to provide water supply systems using our ductile iron pipe, and construct water purification and sewage wastewater treatment plant in the Thilawa Special Economic Zone, Myanmar. The facilities have been in operation since August 2015. Moreover, KUBOTA is currently constructing a wastewater treatment plant in the Phong Ke Industrial Park, Vietnam, where approximately 200 paper recycling factories are located.

Moving forward, KUBOTA will maximize the Southeast Asian base network of the Group company, KUBOTA KASUI Corporation, and technologies relating to wastewater and exhaust gas treatment for private factories to expand its water and environment plant business in Southeast Asia.

Expanding Biogas Business in Malaysia and Indonesia

Palm oil is a major export of Malaysia and Indonesia, and the effluent discharged from the mills that manufacture it is often treated in open lagoons. This creates problems such as the release of methane gas (i.e., a contributor to global warming) into the atmosphere and water pollution. In recent years, amidst the pursuit of environmental countermeasures, KUBOTA is helping to resolve such problems by selling biogas plants and wastewater treatment plants to palm oil mills.

Meanwhile, small- to medium-sized palm oil mills are struggling with the burden of equipment investment. KUBOTA has devised a scheme to generate power from the methane gas collected from effluent, thereby making it possible to retrieve the investment made in wastewater treatment equipment by generating income through selling electricity. KUBOTA is also operating a specific-purpose corporation (SPC) together with Malaysian palm oil mills and other companies as a power-generation business; the sales of electricity from which is scheduled to begin from the summer of 2016.

KUBOTA will continue to expand its biogas business, and contribute further to the prevention of environmental pollution and the utilization of renewable energy in the future.

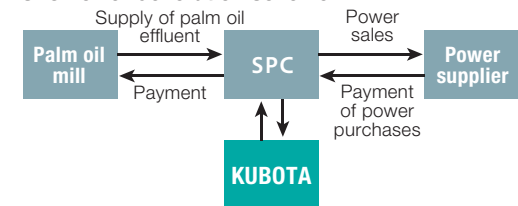


Ductile iron pipe used for water pipeline



Thilawa Special Economic Zone, Myanmar
Copyright © Japan International Cooperation Agency (JICA)

SPC Power Generation Scheme



Biogas retrieval equipment for Malaysia
(for BBC Biogas Sdn. Bhd.)

The KUBOTA Group is committed to contributing to solving global issues through business activities and being recognized as a global major brand.



Masatoshi Kimata

President and
Representative Director

Corporate Principles Kubota Global Identity

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
Kubota

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 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.

The KUBOTA Group Business Activities

The KUBOTA Group products, technologies and services are contributing to solving global issues.

Ever-increasing business opportunities and social responsibility

The KUBOTA Group positions its corporate philosophy—the Kubota Global Identity—as the foundation of corporate management. On the basis of this philosophy, we wish to be a corporative group in which each and every employee fosters awareness as to whether or not the KUBOTA Group activities are helping to resolve issues in the fields of food, water and environment, and contributing to society.

Various regions of the world face surmountable issues concerning food, water and the environment, and amidst such an era, KUBOTA's business opportunities and social responsibility continue to grow.

Review of the year ended March 31, 2015 and Prospects for the Future

Maintaining growth after five consecutive years of increasingly larger revenues and profits

Developing business in strategic fields globally and revitalizing the agricultural machinery business in Japan

For the year ended March 31, 2015, consolidated revenues of KUBOTA and its subsidiaries increased by 78.3 billion yen (5.2%) from the prior year, to 1,586.9 billion yen, and consolidated operating income increased by 1.7 billion yen (0.8%) to 204.1 billion yen. This marked a record five years of consecutive growth in consolidated revenues and profits.

As for domestic revenues, sales of agricultural machinery decreased significantly. As for overseas revenues, sales of tractors, construction machinery and engines rose significantly in North America and Europe. Furthermore sales of agricultural machinery also increased in Southeast Asia and India. Revenues in Water & environment expanded in the Middle East.

In order to realize further growth, KUBOTA will engage in activities aimed at the steady development of business in the strategic fields of agricultural machinery business for upland farming use, construction machinery business in North America and Water & Environment business Overseas, as well as work to revitalize the agricultural machinery business in Japan.

As for agricultural machinery business, we will position the expansion of our presence in the agricultural machinery market for upland farming as the core of our growth strategy. In 2015, we began producing large-scale upland farming tractors with engines of 130-170hp at our manufacturing company in France, marking a major milestone towards the expansion of our presence in the agricultural machinery market for upland farming in North America and Europe. We are also accelerating the development of agricultural machinery for upland farming in the emerging markets (refer to Topics 1, P7-8). In India, we will launch multi-purpose tractor with high towing performance to suit local needs. In China, we will launch high horsepower tractor for upland farming and enhance our lineup of wheel drive combine harvesters used to harvest crops such as corn, wheat and soybean. Additionally, we will strengthen our local development of implements of agricultural machinery suited to local crops in Thailand and other Southeast Asian regions.

The demand for small-scale construction machinery has been increasing largely due to the economic recovery and a strong housing market in North America. In addition to the existing compact excavators, compact tractor loader and wheel loader, we are adding a new skid-steer loader product to the lineup. This will complete the full product lineup of small-scale construction machinery in the plan to expand our business in North America further as a general manufacturer of small construction machinery (refer to Topics 3, P11-12).

As for the Water & Environment business overseas, we will place emphasis primarily on the markets in Asia and the Middle East. In 2014, we were involved in a large-scale water supply project in Qatar and obtained a large-volume order for ductile iron pipe. However, to achieve business growth, we must move beyond initiatives for individual products. We must utilize the entire Water & Environment business and the entire Farm & Industrial Machinery business, combining the comprehensive strengths of the entire Group to achieve synergistic effects. With the strength of abundant Group resources such as a broad range of products and technologies, we will contribute to improving and solving global water and environment issues.

As for revitalization of the agricultural machinery business in Japan, we are promoting measures in response to a tough market environment and structural changes. By implementing challenging and concentrated activities, we will forcefully exert our energies to revitalizing the agricultural machinery business in Japan, which is the base business of the KUBOTA Group. We not only sell the agricultural machinery, but also offer the KUBOTA Smart Agri System (KSAS), which proposes a new farming management method combining agricultural machinery and ICT. Furthermore we will

Top Message

strengthen our service response capability and support sixth sector industrialization, which focuses on all stages up to the processing and sale of agricultural produce. We will comprehensively contribute to agriculture in Japan (refer to Topics 2, P9-10).

Long-Term Management Objectives and Basic Concept

To be recognized as a global major brand

Designating “Priority Onsite” and “Customer First Principle” as the most critical directives of business activities and steadily implementing a growth strategy with a mid-to-long-term perspective.

The long-term goal of these initiatives will be to establish KUBOTA as a global major brand and aim to continue being an organization with a strong presence that is truly needed throughout the world. In order to realize these objectives, we have formulated a growth strategy based on a mid- to long-term perspective and are steadily fulfilling this strategy one step at a time.

We have also established the principles of “Priority Onsite” and “Customer-First Principle” as the most critical directives of our business activities, and ensure that all employees abide by these principles. The “Priority Onsite” principle refers to placing the greatest emphasis on the field in all aspects of business, such as R & D, production and sales. Each time we face issues head on, we seek fundamental solutions that are always approached from the perspective of the field itself. The “Customer-First Principle” refers to deliver products and services that exceed customers’ need and deliver with the speed that exceeds customer’s expectations. KUBOTA believes, by achieving this, the Group will leave a lasting impression on its customers, bringing them sheer happiness and optimal satisfaction.

Mid-Term Management Policies and Directives

Towards early achievement of 2 trillion yen in revenues based on our mid-term target

Pursuing synergies between divisions and businesses, and globalization of management as a whole.

To achieve long-term objectives, we will set forth a mid-term target to clarify the actions required to achieve its mid-term objectives in three to five years’ time and

clarify the road map and strategy. By drawing on the overall strengths of the Group, our aim is to steadily fulfill the various policies of the mid-term target and achieve consolidated net sales of 2 trillion yen in FY2018 and 2.5 trillion yen in FY2020. The aforementioned growth strategies of each business area are the pillars of this mid-term target. But we will also seek to maximize Group synergies and globalize management as a whole.

Strengthening R&D

In order to conduct high-quality, timely development activities, we are rebuilding our R&D resources from a global perspective. Clarifying the respective roles of its various domestic and overseas R&D bases, the KUBOTA Group is reinforcing its primary domestic bases while foster overseas facilities, that lead community-based R&D highly sensitive to local needs—an essential element for future business growth.

Establishing KUBOTA Production Method

In order to support the enhancement of overseas production based on the fundamental policy of local production for local consumption, our domestic mother plant is promoting the early establishment and global deployment of Kubota Production Method, which enables to realize drastic cost reductions by complete elimination of all wastes. We have also introduced an optimal procurement system, have begun information sharing between overseas sites and are pursuing a globally optimal procurement system from the long-term perspective. Through such initiatives, we intend to realize the highest level of standards of “Made by Kubota” in terms of quality, cost, and delivery at our plants worldwide.

Improving management efficiency

The KUBOTA Group has aligned the financial statement closing dates of all Group companies in order to strengthen consolidated management, as well as synchronize and streamline business operations. In addition to promoting the consolidation of management in the parent company and subsidiaries, we will continue to improve cash flow and our financial status by strengthening our asset management and other business operations.

CSR Management

As a corporate group trusted by society

Building business based on compliance and other policies to sincerely and appropriately respond to stakeholders' expectations.

In order to become a major global brand, the KUBOTA Group must be a company trusted not only in Japan, but at the global level. Compliance is the basic premise for achieving this. In order to strengthen measures against compliance risk, we have transferred authority of the Company-wide Risk Management Committee from the director in charge to the vice president. We will enforce compliance in accordance with the basic principle that “no business activities that could result in the violation of laws or regulations exist in the KUBOTA Group.”

The same applies to safety. Human life is irreplaceable. As such, “no business activities that could result in the sacrifice of human life exist in the KUBOTA Group.” We enforce “Safety First” in accordance with the basic principle that all persons involved in business activities act with safety as their first priority.

From the environmental management aspect, the KUBOTA Group has formed an Environmental Management Strategy Committee whose purpose is to reduce environmental load and environmental risk. Our management team will lead the Group's environmental conservation activities based on multifaceted, high-dimensional studies and evaluations. We will focus on resource recycling, Eco-Products' (environment friendly products), and global warming countermeasures among others in our attempt to achieve sustainable management that realizes both environmental conservation and improves corporate value.

To Our Stakeholders

Ongoing support for the future of the Earth and humanity — This is the KUBOTA mission

Through superior products, technologies and services, it is the mission of the KUBOTA Group to contribute to abundant and stable food production, secure water supply and recycling, and create a comfortable living environment for all, thus continuing to support the future of the Earth and humanity.

We will continue our proactive business activities with the goal of maintaining our



reputation as a corporate group trusted by all and constantly reflecting on from the perspective of the corporate philosophy, the Kubota Global Identity.

We look forward to the ongoing understanding and support of you, our stakeholders.

September 2015

A handwritten signature in black ink that reads "M. Kimata". The signature is written in a cursive, flowing style.

Masatoshi Kimata
President and Representative Director

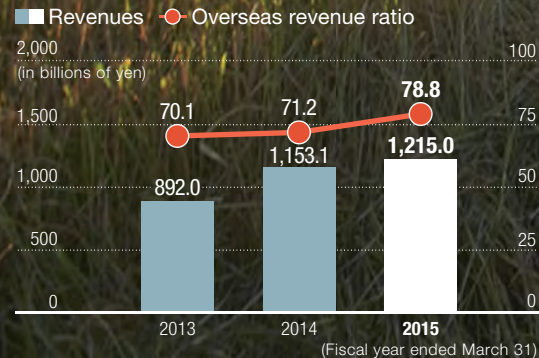
Farm & Industrial Machinery Division



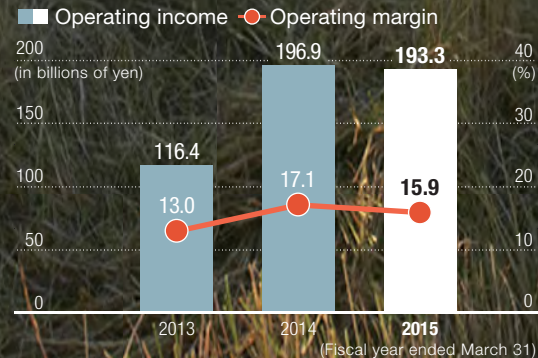
Results of this Fiscal Year

Revenues increased by 5.4% from the prior year, to ¥1,215.0 billion, and accounted for 76.6% of consolidated revenues. Domestic revenues decreased by 22.6%, to ¥257.6 billion. Overseas revenues increased by 16.7%, to ¥957.4 billion. Operating income decreased by 1.8%, to ¥193.3 billion.

Revenues and overseas revenue ratio



Operating income and operating margin



Tractor with Excellent Towing Performance and High Durability Developed for India

India boasts the largest tractor market in the world, with an annual demand of approximately 600,000 units; more than ten times the scale of the market in Japan. Tractors are used year-round in India, not only for agricultural work, but also for towing farm produce and construction materials as a means of transportation. KUBOTA has developed a tractor model specially designed to meet the unique needs of the Indian market. It is heavier than our conventional tractors, and demonstrates excellent towing performance and high durability. This model will be produced in Thailand for the immediate future, and is scheduled to be launched in the Indian market sometime in 2015. Because of the competition with local Indian manufacturers, 60% of the tractor components are procured within India itself, thereby minimizing cost. At the same time, depending on sales performance, the construction of a plant in India may be considered in the future.

Through this new tractor tailored to the Indian market, KUBOTA is responding to a diversity of needs covering not only rice paddies, but also upland farming, trailer towing and other tasks, thus proactively opening up the Indian market and participating in the Asian upland farming market.

Existing product (agricultural work in orchard)



Specific demand in India (trailer heavy-towing work)





Compact Excavators



Wheel Loader



Compact Truck Loader



Skid Steer Loader

Small Industrial Diesel Engine Lineup Compliant with Emission Regulation Expanded

With the growing global awareness of the need for environmental conservation, engine emission regulations are becoming increasingly stringent in every country. As a leading manufacturer of small industrial diesel engines, the KUBOTA Group has always developed engines that meet the latest emission regulations. The engine designs have focused on agricultural machinery, construction machinery and other industrial machinery in Japan, the United States and Europe. Our new engine models have acquired the certifications required by various countries and have been successfully launched in regional markets.

In a climate where all industrial machinery manufacturers are required to respond rapidly to emission control measures, KUBOTA has enhanced its lineup of engines to meet these emission controls in order to satisfy the diversified needs of its customers. In January 2015, we began selling engines (19-56kW output) that comply with emission regulations using a DOC* as the only exhaust after-treatment device instead using a DPF*. Furthermore, we developed the WG3800 (3.8L exhaust) water-cooled gasoline/gas engine, which has the same industrial footprint as our V3800 diesel engine. Mass production began in February 2015. As an engine manufacturer, KUBOTA takes pride in offering customers a broad range of choices.

*Diesel Oxidation Catalyst: Post-exhaust treatment device that dissolves the organic solvent contained in airborne particles and reduces components through an oxidation catalytic reaction.

*Diesel Particulate Filter: Post-exhaust treatment device (filter) that collects the particles contained in diesel engine exhaust.



WG3800 water-cooled industrial gasoline/gas engine

Skid Steer Loader Launched in North American Market

In recent years, the North American economy has been supported by the recovery of housing construction and a good overall economic environment, leading to growing sales for compact construction equipment.

In 2015, KUBOTA began selling the Skid Steer Loader (SSL), a newly developed product for the compact construction equipment sector. The SSL has been added to a list of KUBOTA products already available in North America; namely, the Compact Excavator, Wheel Loader and Compact Truck Loader (CTL), completing the main lineup of compact construction equipment.

SSL is designed to be used not only at construction sites, but also for a broad range of applications including farmland operations. As such, KUBOTA's unique characteristic of being a manufacturer of both agricultural and construction equipment has been maximized, with the intention of also offering the SSL to farmland operations together with large tractors for upland farming.



Small tractor



Established sales company for Japanese rice in Singapore



Raku Vest

Supporting the Vitalization of Japan's Agricultural Industry

For many years, the KUBOTA Group has maintained a close relationship with farmers through the mechanization of agriculture and has walked alongside Japan's agricultural industry. Today, with the farming population not only aging, but also decreasing in number, Japan's agricultural industry faces grave issues. Amid this situation, the KUBOTA Group is leveraging its collective strength and engaging in various initiatives to support the future of Japan's farmers.

For small-scale farmers who are growing older, we sell a small, compact tractor that is easy to operate and can be used anxiety-free. For fruit growers, we have developed the Raku Vest, a suit which helps to alleviate burden when picking grapes, pears and other fruits by supporting the arms.

Another major issue for Japan's agricultural industry is the expansion of agricultural produce exports. KUBOTA established Kubota Rice Industry PTE Ltd. in Hong Kong and Singapore as a company to import, polish and sell rice grown in Japan, thus contributing to the expansion of Japanese-grown rice exports overseas.

The KUBOTA Group will continue to support the vitalization of Japan's agricultural industry through proposing a diversity of products and solutions.

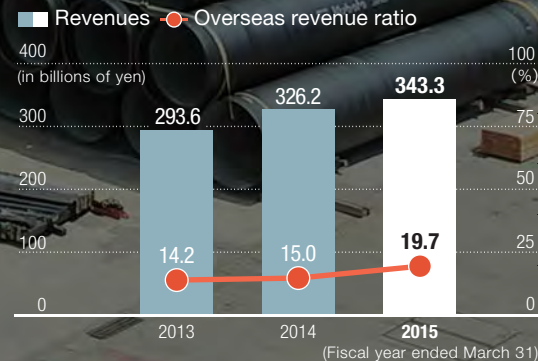
Water & Environment Division

Results this Fiscal Year

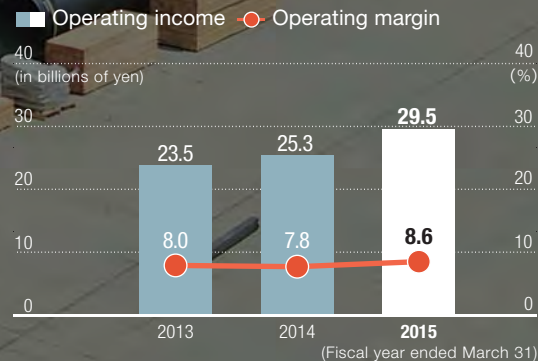
Revenues increased by 5.2% from the prior year, to ¥343.3 billion, and accounted for 21.6% of consolidated revenues. Domestic revenues decreased by 0.6%, to ¥275.7 billion. Overseas revenues increased by 38.1%, to ¥67.6 billion. Operating income increased by 16.5%, to ¥29.5 billion.

* Beginning with the current consolidated fiscal year, the amounts related to "construction" are reported in the "Water & Environment" segment, whereas they were formerly reported in the "Other" segment, in conformity with the change in the business reporting structure of the Company. The segment information for the prior fiscal year has been retrospectively adjusted to conform to the current year's presentation.

Revenues and overseas revenue ratio



Operating income and operating margin



Contributing to Building of Infrastructure Strong Against Disasters through Earthquake-resistant Water Pipelines

In order to avoid disconnected water supplies due to earthquakes, which occurs frequently around the world, making water pipelines earthquake-resistant is a key issue. In 1974, KUBOTA developed the first earthquake-resistant ductile iron pipe. This pipe has been recognized for its effectiveness after not being damaged, even by the large-scale Great Hanshin and Great East Japan earthquakes. Moreover, KUBOTA has proposed an earthquake-resistant water storage tank as a measure to quickly provide drinking in situations where the water supply has been cut off. In fiscal 2015, these tanks were newly installed in 23 locations across Japan, including Gonohe, Aomori Prefecture, Shiogama, Miyagi Prefecture and Kagamiishi, Fukushima Prefecture, which were all affected by the Great East Japan Earthquake.

The performance of KUBOTA's earthquake-resistant pipes has even been highly regarded overseas in earthquake-prone regions on America's west coast such as Los Angeles and San Francisco, and field tests are ongoing.

KUBOTA will continue contributing to building infrastructure strong against natural disasters in order to secure the stable supply of drinking water, which is the source of life.





Pipe laying using site wagon

Installing Pump Equipment in Higashimatsushima City, Miyagi Prefecture for Drainage in the Event of Torrential Rain, Etc.

The Great East Japan Earthquake that attacked Japan in March 2011 extensively damaged the infrastructure that supports the daily lives of people living in the affected areas. In Higashimatsushima City, Miyagi Prefecture, the pumping stations in the affected areas of Oomagari, Gomikura and Minami-ku needed to be restored immediately. In restoration, prompt start of drainage was required to deal with not only regular drainage of regular rice fields, but also drainage of residential areas in case of flooding.

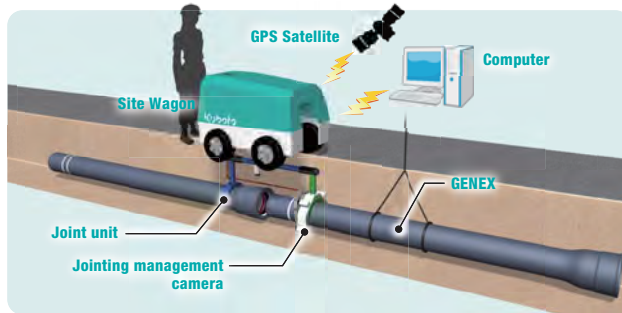
Moreover, in order to reduce construction costs, Tohoku Regional Agricultural Administration Office of MAFF (Ministry of Agriculture, Forestry and Fisheries) planned to install both emergency drainage equipment and horizontal shaft-type pump for regular drainage in the same building, and adopted “onboard reduction gear” which enables compact building and equipment by simple floor structure. KUBOTA proposed an efficient system aimed at reducing operating costs and completed installation at all pumping stations last fiscal year.

KUBOTA will continue developing new products that reflect the needs of the era and contribute to develop strong cities against disasters.



Newly-developed valves for power stations

Site innovation mechanism



Efficient Updating of Water Pipeline Networks Utilizing Newly Developed Installation Technology and ICT

Currently, aging water pipelines in Japan are being proactively updated and made earthquake-resistant. To promote pipeline replacement and earthquake-resistant, secured construction management and quick installation work are required. Amidst this situation, KUBOTA is focusing on developing Site innovation, a system that integrates new installation technologies such as mechanical connection and installation information/management support technologies utilizing ICT.

Site wagons will play a central role in this initiative. The wagon is not only capable of conducting connection work done manually until now, but also does inspections, records installation information, acquires pipe location information and other tasks. As such, the wagon is anticipated to make work more efficient and shorten overall installation time. KUBOTA is currently engaged in trial installations in regions throughout Japan, and is aiming for practical application.



Oomagari drainage pumping station



Restored pump equipment

Contributing to the Implementation of New Power Generation Technology through the Development and Installation of a Highly Functional Valve

In the wake of the Great East Japan Earthquake, there has been a rise in the importance of coal-fired power generation, and the various power companies have been engaged in the development of Integrated Gasification Combined Cycle (IGCC) as a new technology anticipated to significantly improve power generation efficiency.

The coal gasification equipment in IGCC plants uses special valves which are able to withstand high pressure and wear. Since installing valves to an experimental plant for IGCC development in 2000, KUBOTA has collected data and confirmed the quality of its product during operations and continued to accumulate technology.

Recently, KUBOTA installed a newly developed valve in an IGCC demonstration plant being built by Osaki CoolGen Corporation. This plant is scheduled to commence operations in March 2017.

From now on, KUBOTA will continue to support the development of next-generation clean power generation methods through maintenance, doing so in conjunction with initiatives for improving its technological strength to contribute to stable power supply such as extending the life of valves.

Research and Development

In order to achieve successful globalization of our business, development appropriate for the actual circumstances of the relevant region is becoming increasingly important. For this reason, KUBOTA is strengthening its R&D system by clarifying the roles of its development bases both in Japan and overseas.

In December 2014, a Design Center was established in Japan to carry out company-wide product design and strengthen our brand strategy.

Additionally, in April 2015, we established a state-of-the-art Farm & Industrial Machinery Advanced Technology R&D Center. At this center, our aim is to create new value and challenge ourselves to develop industry-best and world-best technologies. Overseas, we promote the hiring and training of skilled personnel locally, and are strengthening our pool of human resources both qualitatively and quantitatively.



Announcement of New Products at European Dealership Meetings

Creating Value by Integrating Core Products and Information Communications Technologies

With the growing popularity of information communications technologies (ICT) such as the Internet and mobile telephones, there are an increasing number of services aimed at society and everyday life that utilize these forms of ICT.

In fields such as agriculture and water infrastructure, KUBOTA is integrating its core products with a geographic information system (GIS) that utilizes the ICT of Internet and mobile terminals together with map data obtained from satellite images. This technology achieves the consolidated management and visualization of data, thereby providing a high added-value service.

Remote Monitoring Service for Pumping Equipment

In Japan, due to the financial difficulties of local governments and a reduction in the number of workers, many of the infrastructure facilities for small-scale sewerage operations are unmanned and operate automatically. For this reason, there are times it is difficult to promptly respond when pumps or other equipment breakdown.

KUBOTA offers an Internet-based remote monitoring service for the consolidated management of information on manhole pumps* scattered across many regions as a way of contributing to stable operations.

* A type of pumping equipment that collects sewage from households and delivers it to sewage treatment facilities.

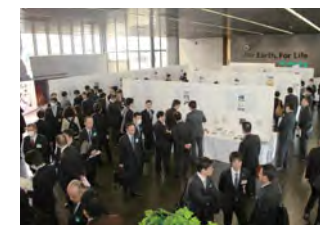
Decision to Establish New Bases for Responding to Local Needs of Major Asian Countries

Until now, The KUBOTA Group's Thailand subsidiary has developed and produced machinery such as small- to medium-sized tractors and combine harvesters. Currently, plans are to establish a new base in FY2017 and significantly strengthen our development function in the country. This base will also accelerate the development of agricultural machinery that meets the local needs of major Asian countries, including India.

Sharing Technical Information Across Departments

As a result of its commitment to continuously pursuing the means to meet the expectations of society over the years, the KUBOTA Group's technologies span a variety of fields. To contribute globally, it is important for us to conduct development that crosses conventional company department boundaries.

In light of this, every year the KUBOTA Group holds "The KUBOTA Group R&D Conference" at which time it announces the R&D achievements of each department. Over 1,000 engineers assemble at this event and share information.

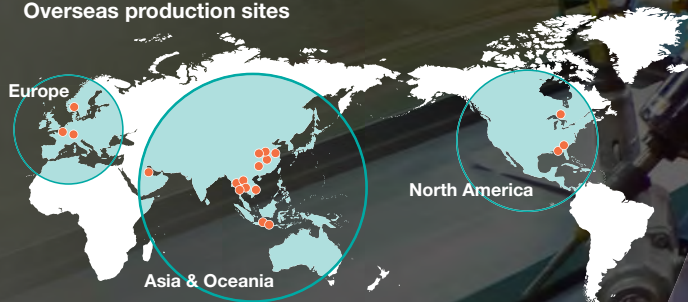


At an exhibition

Production and Quality Control

As a fundamental manufacturing concept, KUBOTA aims to manufacture products close to its markets, and as such has established manufacturing bases in countries around the world. Additionally, the mother plant provides support to ensure consistent quality is maintained regardless of where products are made, spreading “Made by Kubota” globally.

Overseas production sites



Employees of Chinese companies in the Group training at the 5-Gen Dojo

Manufacturing of Large Upland Farm Machinery Begins in France

In April 2015, Kubota Farm Machinery Europe S.A.S—KUBOTA’s French manufacturing base—began manufacturing the M7001 Series as a large upland farming tractor with engines in the range of 130-170hp.

The KUBOTA quality accumulated to date in Japan will be maintained in France, and our aim is to ensure manufacturing that will further improve customer confidence in KUBOTA products.



Tractor rigging line

Quality Control in Design and Development

Amidst developing business at the global level, KUBOTA utilizes scientific quality control (QC) methods beginning from the design and development stages. This enables us to ensure product quality—functions, performance and reliability—under diverse operating environments around the world.

Our main QC methods are Design Review Based on Failure Mode (DRBFM)^{*1} and quality engineering^{*2}. We are committed to increasing customer satisfaction through the evolution and further development of these methods.

^{*1} Method of preventing potential problems from arising by focusing on changes in designs and development.

^{*2} Method of efficiently defining design requirements through experimentation to ensure uniform quality under different operating environments.

Strengthening Local Production Systems through Education

As a part of its efforts to strengthen local production systems at overseas affiliates, KUBOTA established the “5-Gen Dojo” to disseminate “Made by Kubota” of manufacturing primarily to employees involved in production at overseas bases. The 5-Gen encompasses a philosophy based on Genba (actual site), Genbutsu (actual things), Genjitsu (actual facts), Genri (principles) and Gensoku (basic rules). The word “Dojo” is reference to a training facility; thus, it is a place for fostering employees who will implement improvements aimed at closing the gap that may arise between the “actual” and the “ideal.” Approximately 440 people attended this training program in FY2015.

Promoting Optimal Regional Procurement and Supplier Quality/ Productivity

Procurement at overseas production bases has risen sharply in parallel with the rapid globalization of business. At the KUBOTA Group, our aim is to achieve optimal procurement in every region, doing so through the establishment of a global supply system. Moreover, we unite with major suppliers globally to promote systematic improvement activities for the purpose of strengthening competitiveness by improving quality and productivity.

Recent Recall Status

1. KL-Z tractor recall: Total 7,447 units (began July 24, 2014)
2. KL-Z tractor recall: Total 11,587 units (began January 14, 2015)
3. M Series tractor recall: Total 529 units (began January 14, 2015)
4. Free parts replacement for ES400 Rakuta Smile electric wheelchair: Total 608 units (began January 30, 2015)
5. ER combine harvester recall: Total 3,579 units (began March 27, 2015)
6. MG/SMZ tractor recall: Total 302 units (began April 25, 2015)
7. KT and T240D tractor recall: Total 4,271 units (began July 8, 2015)
8. SL tractor recall: Total 117 units (began July 8, 2015)

Online Information

In addition to detailed information on the above, the website introduces the following: (http://www.kubota-global.net/csr/report/so_customer/index.html)

Small Group Improvement Activities/ Raising Awareness of Quality/ ISO9001 Certification Status/ Procurement Policy/ Promoting CSR Procurement Based on Established Guidelines/ Enforcing Ban on the Use of Conflict Minerals, etc.



Stakeholders from Bank Indonesia, etc.



P.T. Kubota Indonesia Participates in Organic Rice Plantation Project

Beginning from 2014, P.T. Kubota Indonesia has continued to participate in a project to develop organic paddy fields for rice in central Java. This project started as part of the Corporate Responsibility Program operated by the Indonesia Bank and other government organizations. The aim is to work together with research institutions and local residents to grow rice paddies that have minimal impact on biological systems by not using chemical fertilizers or pesticides. P.T. Kubota Indonesia contributes by donating hand tractors and threshers that help to increase productivity, and provides lectures on how to use and maintain the products.

In 2015, P.T. Kubota Indonesia plans to invite farmers to its plant and conduct training on diesel engines.



<Environmental Management Basic Policy>

In line with its brand statement, “For Earth, For Life,” while protecting the beauty of the global environment, the KUBOTA Group is committed to the continued support of people’s affluent lifestyles. Through business, the Group contributes to building a sustainable society.



Environmental Manager Conferences held for Asian regions
SIAM KUBOTA Corporation Co., Ltd.

Environmental Management Promotion System

Environmental Management Strategy Committee

The Environmental Management Strategy Committee is chaired by KUBOTA’s executive vice president and is comprised of executive officers. The Committee discusses the direction of the KUBOTA Group’s environmental management for the medium- and long-term. It determines issues such as items and plans that should be carried out in order to reduce environmental impact and risk, and what products to add to extend the lineup of environmentally-friendly products.

It also promotes management based on the plan-do-check-action (PDCA) cycle by assessing and analyzing the progress of the entire Group’s environmental conservation activities and reflecting the results when formulating new plans and policies. We will continue to promote swift environmental management led by members at the management-level.

Environmental Manager Conferences

In FY2015, KUBOTA held Environmental Manager Conferences for the Chinese, Asian and Japanese regions. Environmental managers from eight companies with business sites in China and seven companies with production sites in East Asian countries other than China and Japan attended the Environmental Manager Conferences held for the Chinese and Asian regions, respectively. Environmental managers from Japan’s mother plant also attended.

Each company presented case studies, and group debate was held on the theme of environmental management, thus providing an opportunity to reaffirm the KUBOTA Group policy and share excellent case studies. In order to strengthen the environmental management of the entire KUBOTA Group, we will continue raising the level of environmental conservation activities at each site through gatherings such as these.

As An “Eco-First Company”

In May 2010, the KUBOTA Group was certified by the Japan’s Minister for Environment as an “Eco-First Company” due to its commitments to environmental conservation.

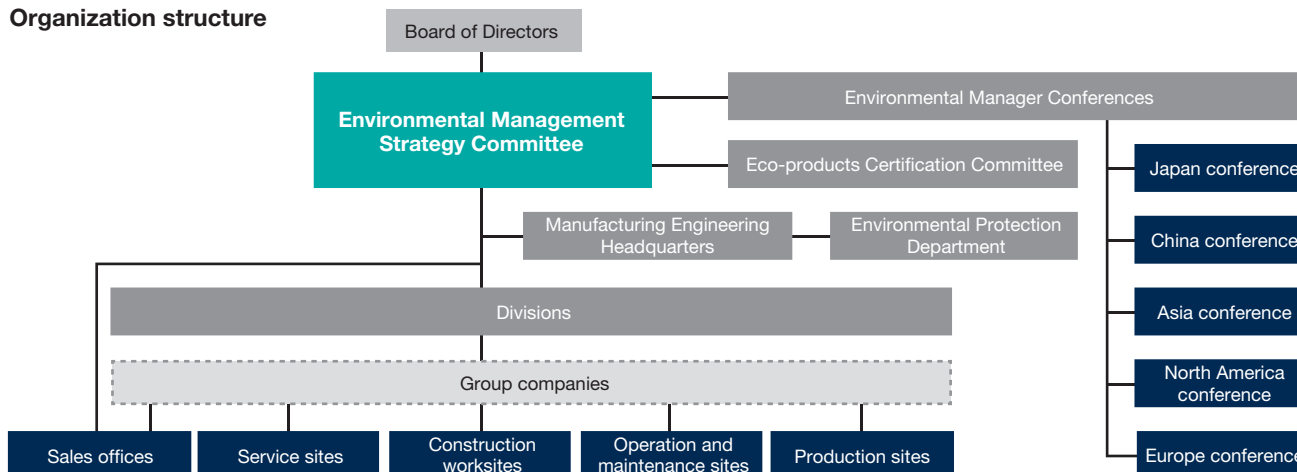
Moreover, in June 2014, the KUBOTA Group created the FY2016 Medium-Term Environmental Conservation Targets with a commitment to achieving the following five objectives, and was recertified as an “Eco-First Company.” We will aggressively work toward achieving these objectives based on this new commitment.



Eco-First Mark

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

Organization structure



Message from the Environmental Conservation Control Officer

The mission of the KUBOTA Group is to continuously support the future of the Earth and people under the slogan “For Earth, For Life” and contribute to the conservation of the global environment through “Made by Kubota” manufacturing activities. The Environmental Management Strategy Committee was established in FY2015 for the purpose of raising the Group’s level of environmental conservation efforts, such as accelerating environmental management, expanding KUBOTA’s lineup of eco-conscious products, and reducing environmental load and environmental risk.

This fiscal year was the last year of the Medium-term Environmental Conservation Targets for FY2016. Therefore, we are currently preparing new targets for the next medium-term period. In preparation for the next stage, we are proactively taking on new challenges and vitalizing our activities. We will continue working towards building a sustainable society and promoting environmental management.



Kenshiro Ogawa

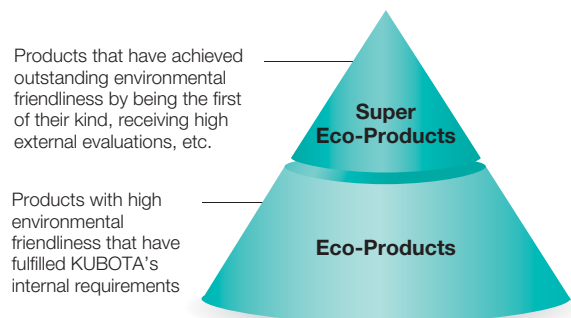
Director and Senior Managing Executive Officer
General Manager of Manufacturing Engineering Headquarters
(Environmental Conservation Control Officer)

<Expanding Environment-friendly Products and Services>

The KUBOTA Group is contributing to resolving global issues by expanding its environment-friendly products and services. We are working on initiatives that consider the entire value chain, from procurement of raw materials to product disposal.

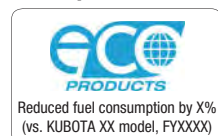
Internal certification system for Eco-Products

Based on the Eco-Products Certification System, an in-house certification of the environmental friendliness of products, the Group certified 43 Eco-Products in FY2015. We will continue to focus on reducing environmental impact throughout the life cycle of our products.



Evaluation items	
Stopping climate change	1. Energy savings (CO₂ reduction) Reducing energy consumption during production, construction and use, etc.
Working towards a recycling-based society	2. Resources saving Reducing weight, volume and use of rare metals, etc.
Controlling chemical substances	3. Recycling Using recycled plastics and rare metals, etc.
Other	4. Reducing environmentally hazardous substances Reducing RoHS-designated substances, reducing gas emissions, etc.
	5. Information disclosure Notes about energy-saving operations, recycling and disposal, etc.

Example of an Eco-Product label



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



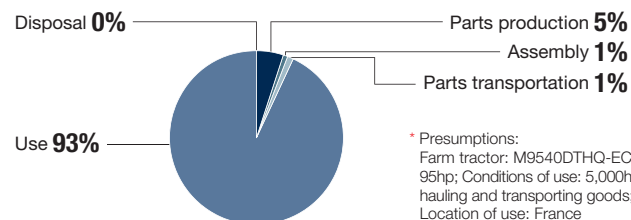
Environmental Considerations in the Product Life Cycle

Analyzing Environmental Impact Throughout the Life Cycle

In FY2015, we requested the Japan Environmental Management Association for Industry to conduct a third-party review of the life cycle assessment (LCA) system we utilize for our main products—farm tractors and ductile cast iron pipes—with the aim of assessing greenhouse gas (GHG) emissions throughout the lifecycle of each product.

The percentage of GHG emissions in the life cycle of a farm tractor is at its highest during actual use (90% or more). KUBOTA is aware that increasing the efficiency of tractors at the stage of actual use is important to reducing the environmental impact.

Results of Farm Tractor LCA (GHG emission percentages by stage)*



Reducing Environmental Impact during Product Use

To save energy, we recommend proper maintenance and operation when using agricultural machinery. We're contributing to CO₂ emission reduction through efforts such as developing products that simultaneously carry out multiple tasks and reducing fuel consumed per harvest by making agricultural tasks more efficient.

Contributing through Multi-Functional Agricultural Machinery

The KUBOTA RACWEL α rice transplanter is capable of simultaneously performing five tasks. We are contributing to the reduction of CO₂ emissions by making agricultural machinery multi-functional, thereby improving their efficiency and reducing fuel consumption.

Utilizing ICT to Achieve Eco-conscious Farm Management

The KUBOTA Smart Agri System (KSAS) uses information communications technologies (ICT) to visualize farm management, realizing not only safe and secure production, and higher crop yield and quality, but also eco-conscious management by optimizing fertilization and longer machinery service life through improved serviceability.

Contributing to the Environment by Visualizing Farm Work

Harvest data collected by KSAS is useful for the soil preparation and fertilization plans of each field. This makes it possible to realize lean farm work and contribute to preventing soil and water pollution by optimizing fertilizer use.



Improving Maintainability Based on Farm Machinery Information

KSAS automatically collects information on the operation of compatible machinery and prepares farm machinery information for each customer based on their machinery. This service is updated each morning and offered to customers.

By offering self-maintenance information, unforeseen trouble can be minimized, which helps to extend the service life of machinery.



Example farm machinery information offered to customers

<Reducing Environmental Load at Business Sites>

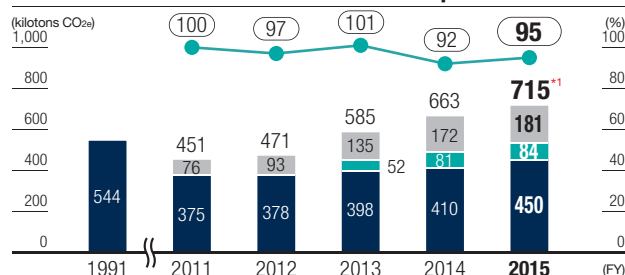
Stopping Climate Change

CO₂ Emissions (scope 1 and scope 2)

In FY2015, CO₂ emissions were 715 kilotons CO_{2e}, an increase of 7.9% compared to the previous fiscal year. We made efforts to conserve energy such as converting to alternative fuels and upgrading to highly efficient equipment. However, CO₂ emissions increased owing to increasing production at cast iron production sites in Japan, expanding aggregation scope in Japan and increasing production overseas.

Additionally, CO₂ emissions per unit of sales increased 2.6% compared to the previous fiscal year.

Trends in CO₂ Emissions and Emissions per Unit of Sales



Legend:
 - CO₂ emissions (Overseas)*² (light blue)
 - CO₂ emissions (Business sites in Japan, only KUBOTA production sites for FY1991)*² (dark blue)
 - Impact of electricity coefficient in Japan (green)
 - CO₂ emissions per unit of sales (using 100 in FY2011 as the index)*³ (line graph)

*¹ CO₂ emissions (715 kilotons CO_{2e}) include portions of CO₂ that were not released into the atmosphere but absorbed as carbon into products such as iron pipe (33 kilotons CO_{2e}).

*² CO₂ emissions after FY2011 include greenhouse gases from non-energy sources.

*³ CO₂ emissions per unit of consolidated net sales.

Working towards a Recycling-based Society

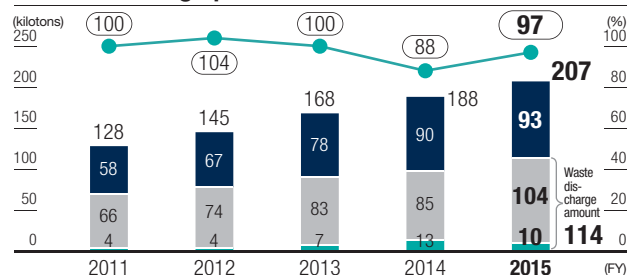
Waste Discharge

In FY2015, the waste discharge amount was 114 kilotons, an increase of 16.1% compared to the previous fiscal year. We made efforts to thoroughly sort waste and recycle valuable resources. However, the waste discharge amount increased owing to increased production at domestic cast iron production sites, expanding aggregation scope in Japan and increasing production overseas. The waste discharge amount per unit of sales also increased 10.4% compared to the previous fiscal year.



Solar panels installed at factory of Kubota Construction Machinery (WUXI) Co., Ltd

Trends in Waste, Etc. (including valuable sources) and Waste Discharge per Unit of Sales



Legend:
 - Volume of valuable resources (dark blue)
 - Resource recycling and volume reduction (light blue)
 - Landfill disposal*¹ (green)
 - Waste discharge amount (grey)
 - Discharge per unit of sales (using 100 in FY2011 as the index)*² (line graph)

*¹ Landfill disposal = Direct landfill disposal + Final landfill disposal following intermediate treatment

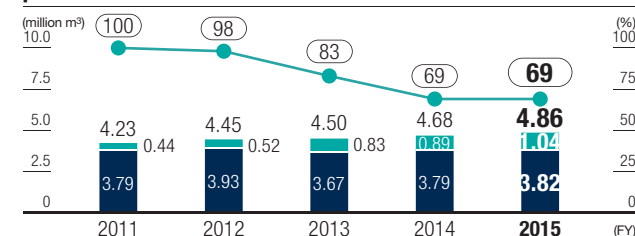
*² Waste discharge per unit of consolidated net sales.

Waste discharge = Recycled resources / Volume reduction + Landfill disposal

Water Consumption

In FY2015, water consumption was 4.86 million m³, an increase of 3.8% compared to the previous fiscal year. We made efforts to utilize water resources effectively by water conservation activities and recycling wastewater. However, water consumption increased due to an increase in overseas production volume. As a result, water consumption per unit of sales decreased 1.3% compared to the previous fiscal year.

Trends in Total Water Consumption and Consumption per Unit of Sales



Legend:
 - Water consumption (Overseas) (light blue)
 - Water consumption (Japan) (dark blue)
 - Water consumption per unit of sales (using 100 in FY2011 as the index)* (line graph)

* Water consumption per unit of consolidated net sales.

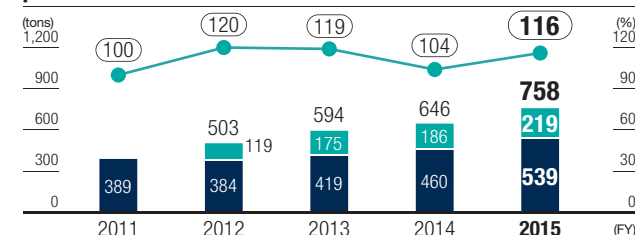
Controlling Chemical Substances

VOC Emissions

In FY2015, volatile organic compound (VOC) emissions were 758 tons, an increase of 17.4% compared to the previous fiscal year. We made efforts to reduce VOCs such as improving painting effectiveness and switching to VOC-free materials. However, VOC emissions increased owing to increasing production at Japan cast iron production sites and overseas production sites.

Additionally, the VOC emissions per unit of sales increased 11.6%.

Trends in VOC Emissions*¹ and Emissions per Unit of Sales



Legend:
 - VOC emissions (overseas) (light blue)
 - VOC emissions (Japan) (dark blue)
 - VOC emissions per unit of sales (using 100 in FY2011 as the index)*² (line graph)

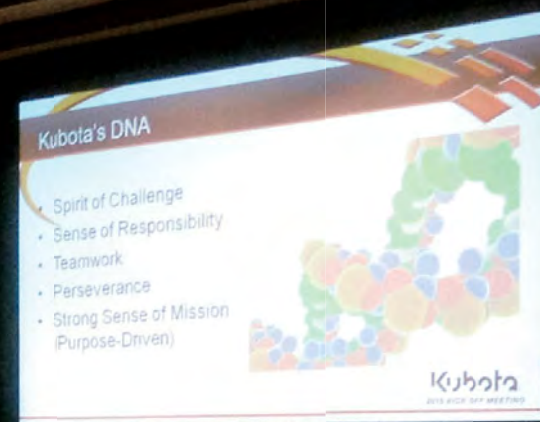
*¹ VOCs comprise the six VOCs that are most prevalent in emissions from the KUBOTA Group: xylene, toluene, ethylbenzene, styrene, 1,2,4-trimethylbenzene, and 1,3,5-trimethylbenzene

*² VOC emissions per unit of consolidated net sales

Online Information

The website introduces medium-term environmental conservation targets and the results thereof, as well as detailed information concerning the environment. (http://www.kubota-global.net/csr/report/en_policy/index.html)

The KUBOTA Group has received third-party assurance for some of the indices in order to improve the reliability and comprehensiveness of the online environmental data utilized in the pdf version of the full report.



Activities for Instilling the Corporate Philosophy Instilling a Mindset Capable of Resolving Social Issues

In order to instill "Kubota Global Identity" established as part of the corporate philosophy in October 2012, KUBOTA has been conducted training sessions at its bases around the world since FY2014.

In FY2015, the second year of this initiative, we set "deepening your understanding" as the goal—advancing one step further from the previous year's target of "awareness." We asked each participant to share their thoughts after viewing videos and listening to how their colleagues approach their work when battling daily challenges in a variety of workplaces around the world. In FY2016, we will conduct training with the goal of "reflecting corporate philosophy in daily tasks." In doing so, we will continue our initiative to foster employees whose mindset is the desire to challenge themselves to work together with others in solving social issues in the future.

Promoting a Safer Workplace

The KUBOTA Group formulated its Basic Policies on Safety and Health in April 2013 for the purpose of creating a safer and more secure workplace for all employees. Based on these policies, we are enforcing that all people involved in the business behave based on the philosophy that “Safety is Our First Priority.”

The 9th KUBOTA Group Long-term Industrial Accident Reduction Plan of FY2015 aimed to eliminate accidents that result in lost work time as one of its goals. To realize this goal, KUBOTA promoted investment in equipment and safety measures based on its Equipment Safety Improvement Guidelines. We have also incorporated the Basic Guidelines for Human Safety into our personnel training program.

Maintenance and Enhancement of Mental Health

Based on the Safety and Health Guidelines of the KUBOTA Group, KUBOTA Mental Health Improvement Targets were formulated.

These targets specify activity objectives and goals, and the tangible actions that need to be undertaken in order to realize them. Based on these targets, our aim is to prevent mental health issues from arising and detecting those that do at the earliest possible stage, doing so from the perspectives of self-care and line-care.

Mental health training session



Securing a Work-Life Balance

In accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children, KUBOTA has established systems and support programs that enable employees to engage in both work and parenting. In recognition of these efforts, the company has been certified by Japan’s Ministry of Health, Labor and Welfare as a company that supports next-generation parenting.



“Kurumin Mark” for companies with next-generation childcare systems

Raising Awareness of Human Rights

Based on the KUBOTA Group Code of Conduct, activities are carried to raise the awareness of human rights in Japan and overseas.

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

Holding the KUBOTA Group Technical Skills Contest

KUBOTA holds the KUBOTA Group Technical Skills Contest with the aim of fostering a sense of unity and improving technical skills throughout all companies in the Group. During the contest held in FY2016, a total of 228 contestants from seven countries (26 bases) put their technical skills to the test in 15 categories, including lathing, welding and machine maintenance.



Training for women in managerial positions (joint session with supervisor)

Supporting Women in the Workplace

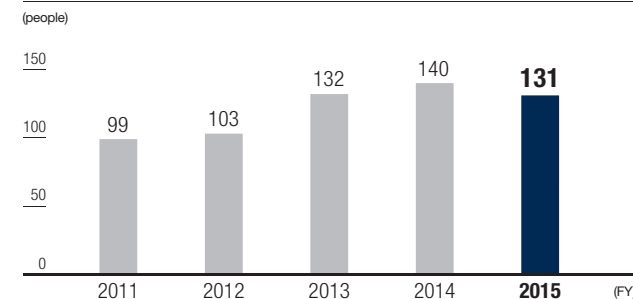
As a focal point of diversity management, KUBOTA supports women in the workplace through initiatives such as changing the human resources system and offering various training programs.

In FY2015, we consolidated the previously-divided occupational roles of general manager, assistant manager and administration worker into “general managerial roles,” and began allocating responsibilities to suit ambition and skills rather than limiting work. This system revision now enables individuals to challenge themselves to broaden their work scope. We also began holding training sessions for women in managerial positions.

Training to Develop Global Human Resources

In effort to foster global human resources with the necessary language skills and the ability to adapt to different cultures, since FY2009 KUBOTA has been offering new employees the opportunity to participate in a one-month foreign language education program—comprised of language training and visiting overseas manufacturing bases.

Employees Dispatched for Language Training



Online Information

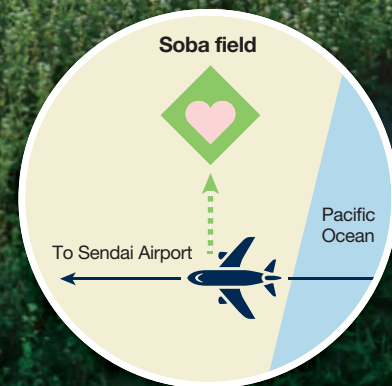
In addition to detailed information on the above, the website introduces the following: (http://www.kubota-global.net/csr/report/so_staff/index.html) Making Equipment Safer/ Promoting Personnel Training Based on the KUBOTA Group Safety-Conscious Employees/ Manufacturing training for new employees (trainees)/ Supporting the Independence of Disabled Persons/ Promoting Use of Annual Paid Leave/ Further Strengthening Connections with Human Resource Departments of Overseas Group Companies/ Expanding the Overseas Trainee System/ Personnel Policies and HR System (KUBOTA)/ CSR Forum for Management-level Employees/ Employee CSR Awareness Survey, etc.



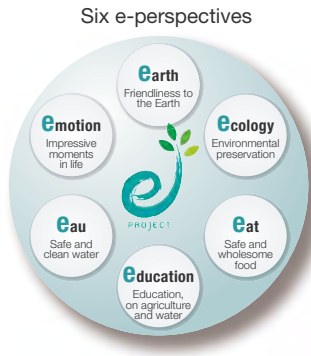
Heart-shaped geoglyph in a disaster-stricken field! Supporting Miyagi Agricultural High School's "SUN! SUN! Soba (buckwheat) Project"

In FY 2015, the KUBOTA Group supported the SUN! SUN! Soba Project of Miyagi Agricultural High School, which suffered severe damage in the earthquake and tsunami of March 11, 2011. This project involved making a geoglyph using soba flowers in a field near the Sendai Airport—damaged during the disaster—as a symbol of reconstruction and a tourist attraction.

The KUBOTA Group provided farming machinery and employees helped by sowing seeds. As a result, people can now enjoy viewing the brilliant-colored flowers arranged in the shape of a heart from the air. We also supported an event distributing handmade soba noodles to the residents of temporary housing.



The KUBOTA e-Project



Support initiatives for the restoration of abandoned farmland in each region



KUBOTA GENKI Agriculture Experience Workshop where elementary school students learn about growing rice



Sponsor the KUBOTA "TERRA-KOYA" summer camp for elementary school students



KUBOTA e-Day Volunteer Program for community beautification throughout all regions in Japan

Revitalization and Reconstruction of Areas Affected by Natural Disasters



Distributing soba harvested in the SUN! SUN! Soba Project to the residents of temporary housing



Maintaining a community garden in Kamaishi, Iwate (for use by temporary housing residents)



Provided scholarships to schools near plant SIAM KUBOTA Metal Technology Co., Ltd. (Thailand)



Donated a diesel engine generator to an educational facility Kubota Engine America Corporation

Corporate Sporting Events



Rugby Festival in Funabashi featuring KUBOTA Spears

The KUBOTA Group's products playing a part in reconstruction support

Various KUBOTA Group's products are being used in the restoration, recovery and urban development of disaster-stricken areas. Examples include the restoration of water supply and sewage lines, construction of pipelines and treatment of effluent for temporary housing, and the restoration of agricultural water.

Iron pipes



Plastic pipes



Pumping station



Wastewater treatment tanks



Construction machinery



Response to Asbestos Issues

The fact that some of the residents and employees living in the proximity of the former Kanzaki Plant have developed asbestos-related diseases is taken very seriously by KUBOTA. From the perspective of fulfilling our social responsibility as a company that previously handled asbestos, we will continue to address this issue with the utmost sincerity. For details please see: <http://www.kubota.co.jp/kanren/index.html>. (Japanese only)

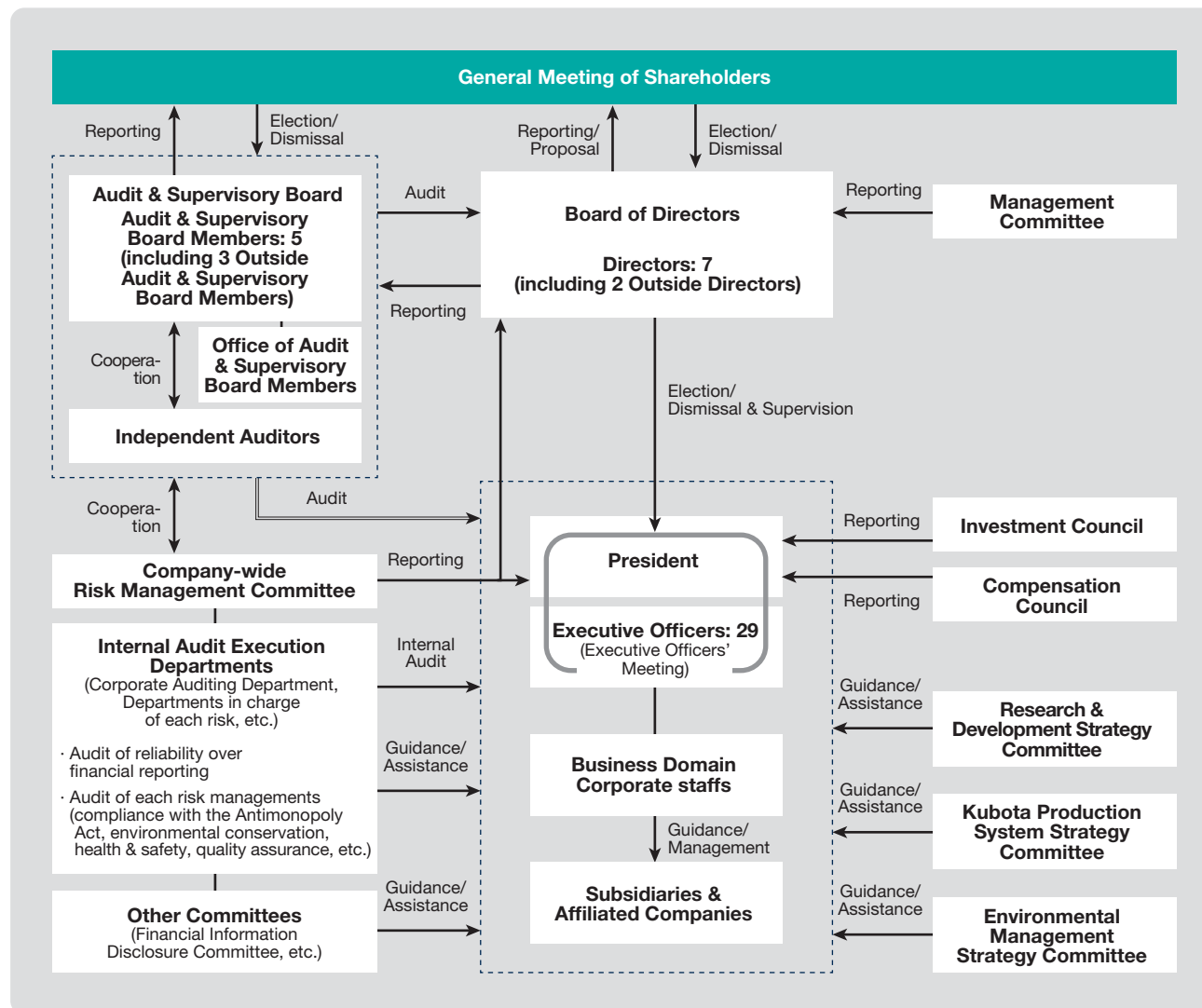


Online Information

Additional information and other measures are introduced on our website. (http://www.kubota-global.net/csr/report/so_area/index.html)

In order to speed up its response to management conditions and achieve enhanced transparency in management, KUBOTA Corporation has adopted the following corporate governance structure.

Corporate Governance Structure (as of June 19, 2015)



Board of Directors

The Board of Directors makes strategic decisions and oversees the execution of duties by 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.

The Board of Directors holds a meeting once a year to report the results of risk management activities. This is done in order to verify that there are no inadequacies in the internal control system that could have a serious impact on corporate management in regards to the organization and operation of the management system for key risks identified by KUBOTA Corporation.

Audit & Supervisory Board

KUBOTA Corporation is a company with an Audit & Supervisory Board that oversees and audits the execution of duties by the Directors. It consists of five Audit & Supervisory Board Members (three of whom are Outside Audit & Supervisory Board Members). In addition to regular monthly Audit & Supervisory Board Meetings, it also meets as and when required, to discuss and make decisions with regard to auditing policy, audit reports, and other matters.

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.

Internal Control System

Based on the awareness that risk management is the foundation of business activities, KUBOTA Corporation identifies risks common to the entire company, such as those relating to reliability of financial reporting, and exerts efforts to manage risks appropriately through continuous steady improvement to “immediately correct any inadequacies.”

In FY2015, we identified the risks unique to each business division in order to achieve more detailed risk management than previously utilized. Moreover, we have reinforced rules and promoted early risk assessment and appropriate response measures in order to swiftly relay information in case of suspicion of compliance violation.

Risk management item

Internal control over financial reporting

Financial reporting

Internal control over the basic functions of the company

Fair trade/ Environmental conservation/ Health and safety/ Quality assurance/ Labor management/ Information security/ Intellectual property

Internal control over compliance

Compliance with rules and regulations related to equipment/ Earthquake and other disaster response management/ Compliance with the Construction Business Law/ Human rights advancement/ Safe driving management/ Prevention of illegal payments/ Confidential information management/ Protection of personal information/ Import and export control/ Compliance in Logistics

In November 2013, Kubota Agri Service Corporation was subjected to an on-the-spot inspection by the Fair Trade Commission for its suspected role in bid-rigging regarding agricultural facilities such as grain elevators. Consequently, on March 26, 2015, the Fair Trade Commission ordered KUBOTA Corporation to pay a fine and Kubota Agri Service Corporation received a cease-and-desist order and a fine. As a result of this administrative punishment, KUBOTA Corporation will revise its rules regarding compliance to the Anti-Monopoly Act and its auditing system, establish measures to prevent reoccurrence—such as strengthening the Anti-Monopoly Act Compliance Committee and conducting Anti-Monopoly Act training throughout the company—and strengthen and implement initiatives aimed at compliance to the Anti-Monopoly Act. This shall be extended to all companies in the KUBOTA Group.

Directors, Audit & Supervisory Board Members and Executive Officers

Directors



(from left to right)

Yuzuru Matsuda

Outside
Director

Kenshiro Ogawa

Director and
Senior Managing
Executive Officer

Masatoshi Kimata

President and
Representative
Director

Shigeru Kimura

Director and
Senior Managing
Executive Officer

Toshihiro Kubo

Representative
Director and
Executive Vice
President

Yuichi Kitao

Director and
Senior Managing
Executive Officer

Koichi Ina

Outside
Director

Audit & Supervisory Board Members

Satoru Sakamoto

Toshikazu Fukuyama

Masaharu Kawachi
(Outside Audit & Supervisory
Board member)

Akira Morita
(Outside Audit & Supervisory
Board member)

Teruo Suzuki
(Outside Audit & Supervisory
Board member)

Executive Officers

Senior Managing Executive
Officers

Satoshi Iida

Shinji Sasaki

Managing Executive Officers

Yujiro Kimura

Hiroshi Matsuki

Kunio Suwa

Toshihiko Kurosawa

Hiroshi Kawakami

Yoshiyuki Fujita

Hironobu Kubota

Masato Yoshikawa

Executive Officers

Taichi Ito

Kaoru Hamada

Junji Ogawa

Yasuo Nakata

Kazuhiro Kimura

Dai Watanabe

Haruyuki Yoshida

Takao Shomura

Yuji Tomiyama

Kazunari Shimokawa

Mutsuo Uchida

Nobuyuki Ishii

Kazuhiro Shinabe

Ryuichi Minami

Yoshimitsu Ishibashi



Still Carrying on the Pioneering Spirit of Founder, Gonshiro Kubota

Gonshiro Kubota
(1870–1959)

The First in Japan to Succeed at Mass Production of Water Pipe

KUBOTA's history began in February 1890, when founder Gonshiro Kubota opened a metal casting business in Osaka at the age of 19. At the time, water borne diseases such as cholera were prevalent in Japan and water services were in need of urgent attention. In the midst of many companies failing at the manufacture of water pipe, Gonshiro engaged in research maintaining the strong beliefs of "It can be done." and "Do not be afraid of making mistakes." As a result of much hardship, he became the first in Japan to succeed at the mass production of iron water pipe in 1893 and built the business based on providing people with safe and secure drinking water.

Promoting Mechanization of Agriculture Due to Post-War Food Shortage

Believing that "In the future, machines would replace shovels and hoes," Gonshiro began researching the mechanization of agriculture around 1935. In 1947, he succeeded in developing a cultivator to meet the post-war food shortage demand. This cultivator rapidly grew in popularity due to the labor shortage in farming villages as a result of high economic growth. Developing tractors, combine harvesters, rice transplanters and other machinery one after another, KUBOTA has made a significant contribution to alleviating hard labor in agricultural work.

Pioneering Spirit Still Going Strong 120 Years Later

KUBOTA contributes to society with products, technologies and services that resolve issues relating to food, water and the environment. The origin of this is the outlook passed down from Gonshiro Kubota, who believed that "For the prosperity of society, we need to put all of our efforts into creation." and "Our products should not only be technically excellent, but also useful for the good of society." The pioneering spirit of founder Gonshiro Kubota remains strong in the hearts and minds of employees even today, over 120 years later.

History

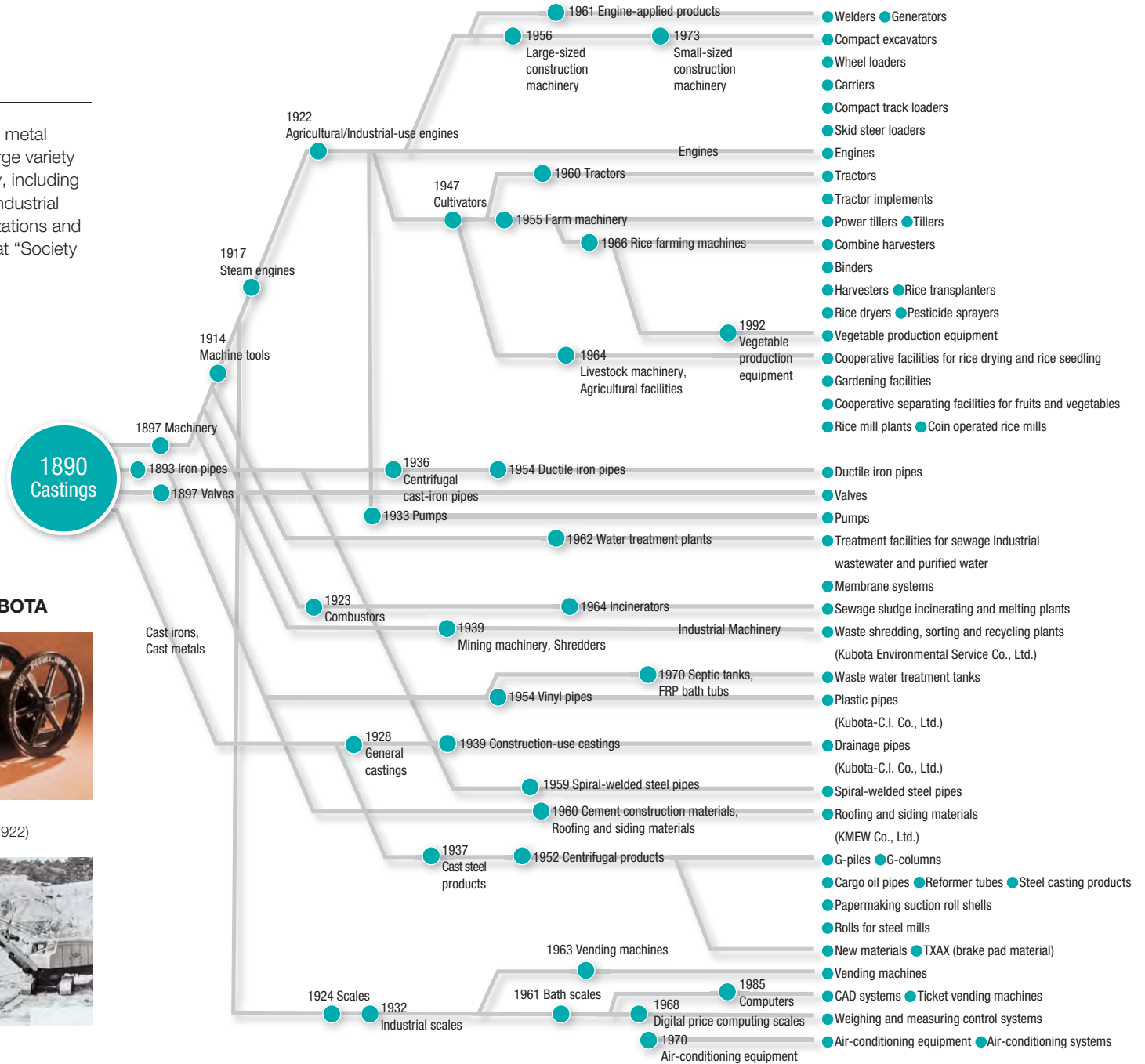
- **1890** Founded casting manufacturer, Ode Imono (Ode Foundry)
- **1893** Began manufacturing cast iron pipe for supplying water
- **1897** Changed name to Kubota Tekko-jo (Kubota Iron Works)
- **1939** Company listed on the stock exchange
- **1947** Developed the cultivator
- **1953** Changed name from K.K. Kubota Tekko-jo to Kubota Tekko K.K.
- **1960** Developed and commercialized first Japanese riding tractor, First Japanese company to receive and complete an order for an overseas water supply project
- **1972** Full-scale entry into the US tractor market
- **1990** Celebrated 100th year anniversary, Changed company name to KUBOTA Corporation.
- **2009** Completed first Japanese-owned tractor production plant in Thailand
- **2010** Certified as an "Eco-First Company" by Japan's Ministry of the Environment
- **2011** Established a regional headquarters in China and completed construction of a machinery plant
- **2012** Established "Kubota Global Identity" (global corporate principles), and Adopted a new brand statement logo, "For Earth, For Life" Acquired and transformed Kverneland AS, into a subsidiary.
- **2014** Established an large upland farming tractor manufacturing company in France



Shipment point in Osaka for the Company's iron pipes, circa 1905
Founder Gonshiro Kubota, wearing a business suit at the center of the front row

History of KUBOTA Products

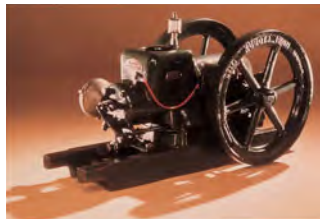
KUBOTA started with production and marketing of cast metal products. Ever since its foundation, it has provided a large variety of products that contribute to people's lives and society, including iron pipes for waterworks, engines for agricultural and industrial purposes, and machine tools. All of its business organizations and products have been developed under the basic idea that "Society keeps corporations going forward."



Major Products Driving the Development of KUBOTA



Cast iron pipes for water supply (1893)



Oil-based engines for agro-industrial purpose(1922)



Cultivators (1947)



Power shovels (1953)

Somewhere, today. A nearby presence throughout people's lives.

Mobilizing the collective strength of the KUBOTA Group business activities and contributing to solutions in the areas of food, water and the environment.



Farm & Industrial Machinery



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



2 Implements:
Connected to tractors and used for a variety of tasks.



3 Rice transplanters:
used to transplant rice seedlings to the rice paddies. Rice transplanters make a significant labor-saving contribution.



4 Combine harvesters:
simultaneous harvesting and threshing of crops such as rice, wheat and pulses



5 Riding mowers:
used for cutting lawns in parks, office areas and private residences.



6 Utility vehicles:
useful in a variety of operations, including agricultural work, civil engineering and leisure activities.



7 Diesel engines:
_____ used mainly as a power source in industrial machinery such _____ as agricultural or construction machinery.



8 Gasoline engines:



9 Compact excavators:
used in civil engineering and other operations; especially useful in narrow work areas, such as city streets.



10 Wheel loaders:
_____ used mainly for transporting and stacking tasks at construction sites, farms, etc. _____



11 Compact truck loaders:



12 Skid steer loaders:



13 Mini power tillers:
used mainly in agricultural operations, including smaller farms.



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



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



16 Vending machines:
used for the automatic sales of products, including drinks

Water & Environment



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



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



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



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



21 Wastewater treatment tanks:
used to treat sewage in areas where there are no sewage lines.



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



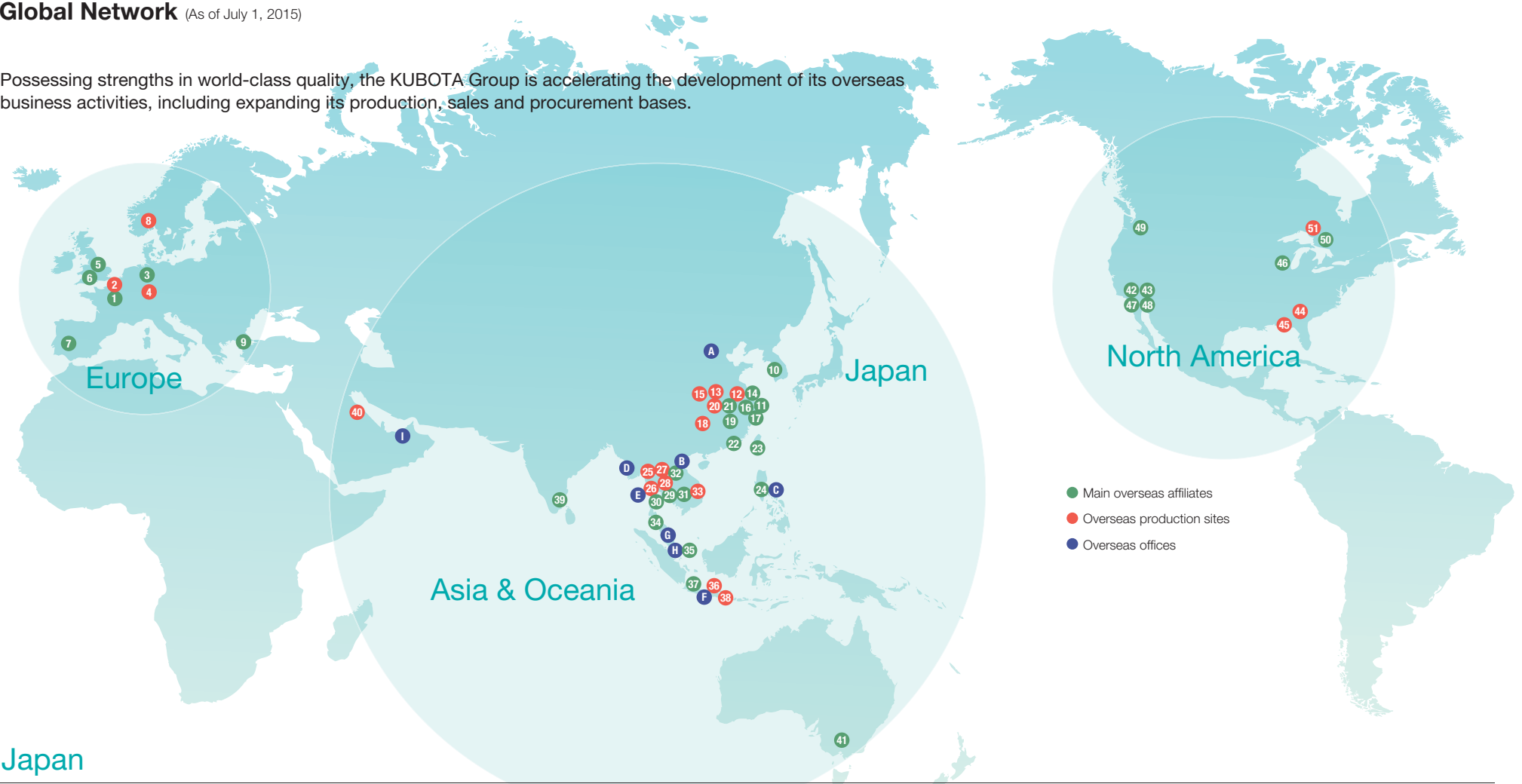
23 Rolls:
used in the rolling process, mainly at steel plants.



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

Global Network (As of July 1, 2015)

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.



Japan

Head offices

Head Office (Osaka)
Hanshin Office (Amagasaki, Hyogo Prefecture)
Tokyo Head Office (Tokyo)

Regional offices & Branch offices

Hokkaido Regional Office (Sapporo)
Tohoku Regional Office (Sendai)
Chubu Regional Office (Nagoya)
Chugoku Shikoku Regional Office (Hiroshima)
Kyusyu Regional Office (Fukuoka)
Yokohama Branch (Yokohama)

Sales Offices

Wakayama Sales Office (Wakayama)
Shikoku Sales Office (Takamatsu)
Kumamoto Sales Office (Kumamoto)
Okinawa Sales Office (Naha)
Yamaguchi Sales Office (Shunan)

Factories, plants and business centers

Sakai Plant (Sakai, Osaka Prefecture)
 Agricultural machinery, Construction machinery, and engines
Hirakata Plant (Hirakata, Osaka Prefecture)
 Construction machinery, valves, pumps and steel castings
Tsukuba Plant (Tsukubamirai, Ibaraki Prefecture)
 Agricultural machinery and engines

Ryugasaki Plant

(Ryugasaki, Ibaraki Prefecture)
 Vending machines

Utsunomiya Plant

(Utsunomiya, Tochigi Prefecture)
 Agricultural machinery

Keiyo Plant

(Funabashi/Chikawa, Chiba Prefecture)
 Ductile iron pipes and spiral welded steel pipes

Shiga Plant

(Konan, Shiga Prefecture)
 Septic tanks

Hanshin Plant

(Amagasaki, Hyogo Prefecture)
 Ductile iron pipes and mill rolls

Kyuhoji Business Center

(Yao, Osaka Prefecture)
 Electronic equipped machinery

Okajima Business Center

(Osaka)
 Engines and iron casting

Main affiliates

15 domestic agricultural machinery sales companies including Hokkaido KUBOTA Corporation

Sales of agricultural machinery

Kubota Farm & Industrial Machinery Service Ltd.

(Sakai, Osaka Prefecture)
 Integrated agricultural machinery service

Kubota Agri Service Corporation

(Osaka)
 Technical and sales guidance on agricultural machinery

Kubota Credit Co., Ltd.

(Osaka)
 Retail financing of merchandise

Kubota Seiki Co., Ltd.

(Sakai, Osaka)
 Manufacture and sale of hydraulic equipment and other precision machinery components

KUBOTA Construction Machinery Japan Corporation

(Amagasaki, Hyogo Prefecture)
 Sales of construction machinery

Kubota-C.I. Co., Ltd.

(Osaka)
 Manufacturing and sales of pipes and couplings in PVC and other polymers

Nippon Plastic Industry Co., Ltd.

(Komaki, Aichi Prefecture)
 Manufacturing and sales of vinyl pipes and various types of sheets

Kubota Environmental Service Co., Ltd

(Tokyo)
 Operation, maintenance, design, construction, remodeling and repair of water and waste treatment facilities, along with sales of pharmaceutical and other supplies; analysis of water quality, air, waste, etc.

KUBOTA KASUI Corporation

(Tokyo)
 Environmental engineering related to treatment of industrial wastewater and waste gases, repair and remodeling work, maintenance management, chemical and other sales

Kubota Air Conditioner, Ltd.

(Tokyo)
 Manufacturing and sales of various types of air-conditioning equipment

Kubota Construction Co., Ltd.

(Osaka)
 Service water and sewage, civil engineering and construction contracting

KMEW Co., Ltd.

(Osaka)
 Manufacturing and sales of roofing and siding materials

Europe

Group Companies

- 1 **Kubota Europe S.A.S.**
Argenteuil, FRANCE
Sales of tractors, construction machinery, engines, mowers and UVs*
- 2 **Kubota Farm Machinery Europe S.A.S.**
Bierre, FRANCE
Manufacturing of tractors
- 3 **Kubota (Deutschland) GmbH**
Rodgau/Nieder-Roden, GERMANY
Sales of tractors, engines, mowers and UVs*
- 4 **Kubota Baumaschinen GmbH**
Zweibrücken Rheinland-Pfalz, GERMANY
Manufacturing and sales of construction machinery
- 5 **Kubota (U.K.) Ltd.**
Oxfordshire, U.K.
Sales of tractors, construction machinery, engines, mowers and UVs*
- 6 **Kubota Membrane Europe Ltd.**
London, U.K.
Sales of submerged membranes
- 7 **Kubota España S.A.**
Madrid, SPAIN
Sales of tractors, mowers and UVs*
- 8 **Kverneland AS**
Kverneland, NORWAY
Manufacturing and sales of tractor implements
- 9 **KUBOTA Turkey Makine Ticaret Limited, Sirketi**
Istanbul, TURKEY
Sales of tractors

Asia & Oceania

Overseas Offices

- A **Beijing Office**
Beijing, CHINA
- B **Hanoi Office**
Hanoi, VIETNAM
- C **Philippine Office**
Manila, PHILIPPINES
- D **Myanmar Office**
Yangon, MYANMAR
- E **Bangkok Office**
Bangkok, THAILAND
- F **Jakarta Office**
Jakarta, INDONESIA
- G **Malaysia Branch**
Jaya, Selangor, MALAYSIA
- H **Singapore Branch**
Singapore, SINGAPORE
- I **Dubai Branch**
Dubai, UNITED ARAB EMIRATES

Group Companies

- 10 **Kubota Korea Co., Ltd.**
Seoul, KOREA
Sales of tractors, combine harvesters, rice transplanters and construction machinery
- 11 **Kubota China Holdings Co., Ltd.**
Shanghai, CHINA
Regional headquarters in China
- 12 **Kubota Agricultural Machinery (SUZHOU) Co., Ltd.**
Jiangsu, CHINA
Manufacturing and sales of combine harvesters and other agricultural machinery
- 13 **Kubota Construction Machinery (WUXI) Co., Ltd.**
Jiangsu, CHINA
Manufacturing of construction machinery
- 14 **Kubota Engine (SHANGHAI) Co., Ltd.**
Shanghai, CHINA
Sales of engines
- 15 **Kubota Engine (WUXI) Co., Ltd.**
Jiangsu, CHINA
Manufacturing of vertical type diesel engines
- 16 **Kubota Construction Machinery (SHANGHAI) Co., Ltd.**
Shanghai, CHINA
Sales of construction machinery
- 17 **Kubota China Financial Leasing Ltd.**
Shanghai, CHINA
Finance lease business for KUBOTA products
- 18 **KUBOTA SANLIAN PUMP (ANHUI) Co., Ltd.**
Anhui, CHINA
Manufacturing and sales of pumps
- 19 **Kubota Environmental Engineering (SHANGHAI) Co., Ltd.**
Shanghai, CHINA
Plant engineering and sales of equipment for the water treatment market
- 20 **Jiangsu Biaoxin Kubota Industrial Co., Ltd.**
Jiangsu, CHINA
Manufacturing and sales of steel casting products
- 21 **Kubota System & Information (CHINA) Co., Ltd.**
Jiangsu, CHINA
Developing software for information systems and providing maintenance/operation services
- 22 **Kubota Rice Industry (H.K.) Co., Ltd.**
Hong Kong, CHINA
Import, milling and sale of Japanese rice
- 23 **Shin Taiwan Agricultural Machinery Co., Ltd.**
Kaohsiung, TAIWAN
Sales of tractors, agricultural machinery, mowers, UVs,* construction machinery and agriculture-related products
- 24 **Kubota Philippines, Inc.**
Manila, PHILIPPINES
Sales of tractors, agricultural machinery, and engines
- 25 **SIAM KUBOTA Corporation Co., Ltd.**
Pathumthani, THAILAND
Manufacturing and sales of tractors, combine harvesters, horizontal diesel engines and power tillers, and sales of construction machinery
- 26 **SIAM KUBOTA Metal Technology Co., Ltd.**
Chachoengsao, THAILAND
Manufacturing of casting components for engines and tractors
- 27 **KUBOTA Engine (Thailand) Co., Ltd.**
Chachoengsao, THAILAND
Manufacturing of vertical type diesel engines
- 28 **KUBOTA Precision Machinery (Thailand) Co., Ltd.**
Chonburi, THAILAND
Manufacture and sale of hydraulic equipment and other precision machinery components
- 29 **Siam Kubota Leasing Co., Ltd.**
Pathumthani, THAILAND
Retail financing for tractors and combine harvesters

- 30 **Kubota Procurement & Trading (Thailand) Co., Ltd.**
Chonburi, THAILAND
Procurement and supply of parts for the KUBOTA Group production bases
- 31 **KUBOTA (Cambodia) Co., Ltd.**
Phnom Penh, CAMBODIA
Sales support of farm machinery, collecting market information and service
- 32 **KUBOTA LAOS SOLE Co., Ltd.**
Vientiane, LAOS
Sales support of farm machinery, collecting market information and service
- 33 **Kubota Vietnam Co., Ltd.**
Binh Duong Province, VIETNAM
Manufacturing and sales of tractors, combine harvesters and rice transplanters
- 34 **Sime Kubota Sdn. Bhd.**
Selangor Darul Ehsan, MALAYSIA
Sales of tractors and engines
- 35 **Kubota Rice Industry (Singapore) PTE.Ltd.**
Singapore, SINGAPORE
Import, milling and sale of Japanese rice
- 36 **P. T. Kubota Indonesia**
Semarang, INDONESIA
Manufacturing and sales of small diesel engines
- 37 **P. T. Kubota Machinery Indonesia**
Jakarta, INDONESIA
Sales of tractors, combine harvesters and rice transplanters
- 38 **P. T. Metec Semarang**
Java Tengah, INDONESIA
Consignment manufacturing of vending machines and vending machine parts
- 39 **Kubota Agricultural Machinery India Pvt., Ltd.**
Chennai, INDIA
Sales of tractors, combine harvesters and rice transplanters
- 40 **Kubota Saudi Arabia Company, LLC**
Dammam, SAUDI ARABIA
Manufacturing and sales of steel casting products
- 41 **Kubota Tractor Australia Pty. Ltd.**
Victoria, AUSTRALIA
Sales of tractors, construction machinery, engines, mowers and UVs*

North America

Group Companies

- 42 **Kubota Tractor Corporation**
California, U.S.A.
Sales of tractors, construction machinery, mowers and UVs*
- 43 **Kubota Credit Corporation U.S.A.**
California, U.S.A.
Retail financing of sales contracts
- 44 **Kubota Manufacturing of America Corporation**
Georgia, U.S.A.
Development and manufacturing of small-sized tractors, mowers, UVs* and tractor implements
- 45 **Kubota Industrial Equipment Corporation**
Georgia, U.S.A.
Development and manufacturing of tractors and implements
- 46 **Kubota Engine America Corporation**
Illinois, U.S.A.
Sales of engines and generators
- 47 **Kubota Insurance Corporation**
California, U.S.A.
Underwriting non-life insurance
- 48 **Kubota Tractor Acceptance Corporation**
California, U.S.A.
Business of insurance agencies in the United States
- 49 **Kubota Membrane U.S.A. Corporation**
Washington, U.S.A.
Sales of submerged membranes
- 50 **Kubota Canada Ltd.**
Ontario, CANADA
Sales of tractors, construction machinery, engines, mowers and UVs*
- 51 **Kubota Materials Canada Corporation**
Ontario, CANADA
Manufacturing and sales of steel casting products, TXAX (brake pad materials)

* UVs: Utility Vehicles

Kubota

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

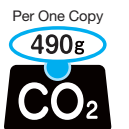


“Food, water, and the environment” Solve problems in these fields and build a low carbon society.

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



Participation in a water project promoted by a public-private partnership.



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