For Earth, For Life

Kubota

Kubota Group

ESG REPORT 2025

Editorial Note

In order to achieve the aims of the GMB2030 Long-Term Vision, we of the Kubota Group are pressing forward with our original ESG efforts—dubbed "K-ESG management"—and we aim to be an "Essentials Innovator for Supporting Life," committed to a prosperous society and cycle of nature. In that way, we hope to resolve social and environmental issues through our business activities.

In the 2025 edition of our ESG report, we provide details about the ESG activities undertaken by the Kubota Group. Like last year's edition, to enhance readability and convenience, we have divided the Society section into two parts: "Stakeholders" and "Human resources." We have also structured this section in a way that we think provides readers with a deeper understanding of the human capital that the Kubota Group attaches much importance to.

We strive to enhance relationships with all stakeholders through keeping the approach to information disclosure that is open and transparent.

Period covered by the ESG REPORT 2025

From January 2024 to December 2024

* Matters outside the above period are partially included.
* We intend to update the report each June, with the next edition scheduled for June 2026.

Boundary of the ESG REPORT 2025

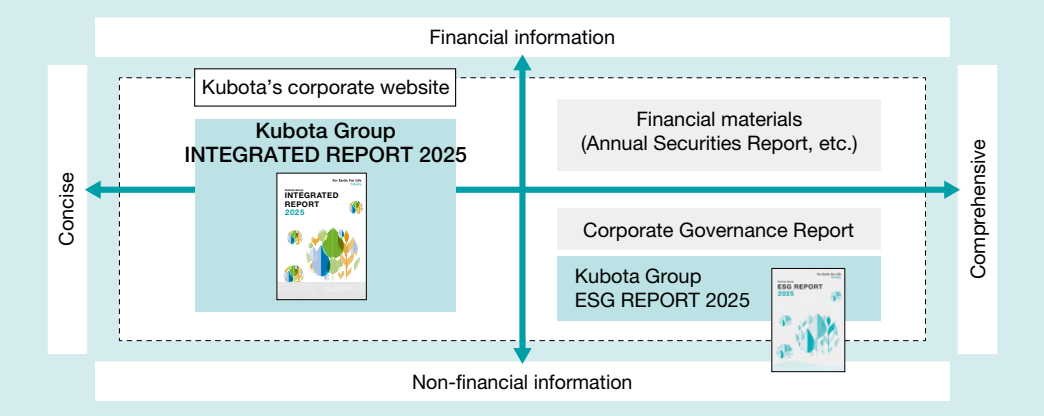
In principle, the entire Kubota Group is covered.

* Some statements may refer to the non-consolidated Kubota.

* For details of SDGs (Sustainable Development Goals), please see the United Nations Information Centre website.

The United Nations Information Centre (external link) Click

How this report fits into our overall information disclosure



Main information disclosure tools	Details
Kubota's corporate website	A website that covers everything about the Kubota Group, including the Long-Term Vision "GMB2030" and the Mid-Term Business Plan 2025.
Kubota Group INTEGRATED REPORT 2025	An annual report that focuses on Kubota's approach, based on management strategies that take a medium-to-long-term perspective, and its future outlook. The Integrated Report can be found via the link below. Kubota Group INTEGRATED REPORT 2025 Click
Kubota Group ESG REPORT 2025	A report that provides details on initiatives that correspond to the four ESG topics. The profile part of the report, which precedes the ESG reporting, explains more about the corporate principles and policies that form the basis for these initiatives, and also gives an overview of Kubota Corporation. Environmental reporting / Social reporting (Stakeholders/Human resources) / Governance
Corporate Governance Report	A report listing details of systems and policies based on Kubota's Corporate Governance Code.
Annual Securities Report	An annual report that provides particular detail on Kubota's finances.

CONTENTS [Kubota Group ESG REPORT 2025]

Founded in 1890

Ever since its founding, Kubota has been tackling global issues related to food, water, and the environment.

In 1890, Gonshiro Kubota, the founder of the Kubota Group, started his metal casting business at the age of 19. Inheriting the founder's beliefs to this day, 50,000 employees of the Kubota Group are promoting the company's businesses all over the world as part of their efforts to make the Kubota Group "Global Major Brand Kubota."

The Founding Spirit of Kubota's Founder, Gonshiro Kubota

— For the prosperity of society, we need to put all our efforts into creation.

— Our products should not only be technically excellent, but also useful for the good of society.

— We should create products with all our heart and soul, and realize the commodity values of such products in correct definitions.

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

For Earth, For Life —
the Kubota Group promises to continue supporting the prosperous life of humans while protecting the environment of this beautiful earth.

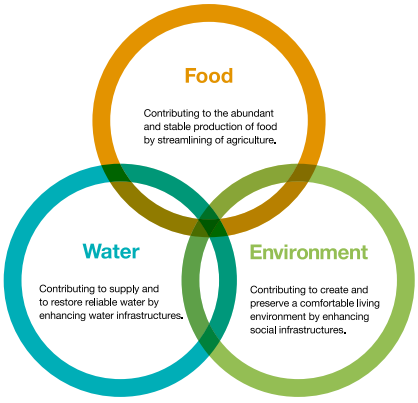
Mission

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 world has many problems in the areas of food, water, and the environment, which are indispensable for human beings.
Those problems are not separate themes, but linked closely to each other.
The population growth has a great influence on environmental changes, brings problems to water resources, and leads to the short supply of food.
The Kubota Group considers food, water, and the environment as a singular theme and contributes to solve problems in these areas.

KUBOTA GLOBAL LOOP = Relations among food, water, and the environment

Food, water, and the environment are not separate themes, but linked closely to each other.



Kubota Global Loop

President's Message

Aiming to be an "Essentials Innovator for Supporting Life," committed to a Prosperous Society and Cycle of Nature, we will help to bring about a more sustainable society by promoting Kubota's unique ESG management.

President and
Representative Director
Kubota Corporation

Yuichi Kitao

The Kubota Group's Aspirations

With social conditions changing at such a rapid pace, the social and economic issues that surround us, such as climate change, natural disasters, population and resource issues, human rights issues, and geopolitical problems, have become more serious and complex than ever before. The expectations of society for companies to address such challenges are increasing, and we now live in an era in which there is growing attention on the principles with which companies carry out their business activities. The Kubota Group, on the landmark milestone of its 130th anniversary, launched its GMB2030 Long-Term Vision and Mid-Term Business Plan 2025. The Kubota ideal for the future is to be committed to a prosperous society and cycle of nature by aiming to be an "Essentials Innovator for Supporting Life." By providing solutions that can address issues in food, water, and the environment — fields without which people cannot live — we believe that we can make ourselves indispensable to society. In addition to further developing our existing business, we hope to be able to provide three new types of solutions by having each business field work together and effect each other and building a variety of business partnerships and ecosystems, namely solutions aimed at enhancing the productivity and safety of food, promoting the circulation of water resources and waste, and improving urban and living environments.

Business operations positioning ESG at the core of management

In order for Kubota to continue to be a sustainable company, we will promote initiatives with a greater awareness of ESG than ever before. As a company engaged in the reduction of environmental impact and the resolution of social issues in its business activities in the areas of food, water, and the environment, we have defined the Kubota Group's unique ESG measures as K-ESG — measures that are rooted in the Group's corporate philosophy (the Kubota Global Identity). K-ESG management will provide the ethical and behavioral model to accomplish the goals of our long-term visions, GMB2030 and, afterward, GMB. To realize GMB2030, we will aim to raise corporate value on both the economic and social fields by focusing on four areas — solving environmental and social problems through business, accelerating innovation to solve problems, gaining empathy and participation of stakeholders, and building governance that increases sustainability — broken down into twelve important matters (materiality).

To Our Stakeholders

The "S" in K-ESG stands for "society," which we take to also mean "stakeholders." I would improve relationships with every stakeholder that shows "empathy" and "participation" with Kubota Group by enhancing and strengthening communication with them. Toward the year 2030, we will undertake initiatives to contribute to the realization of a sustainable society by solving social issues related to food, water, and the environment, bringing together the collective strengths of 50,000 people in the Group.

K-ESG Management to Realize the Long-Term Vision “GMB2030”

K-ESG Management Initiatives

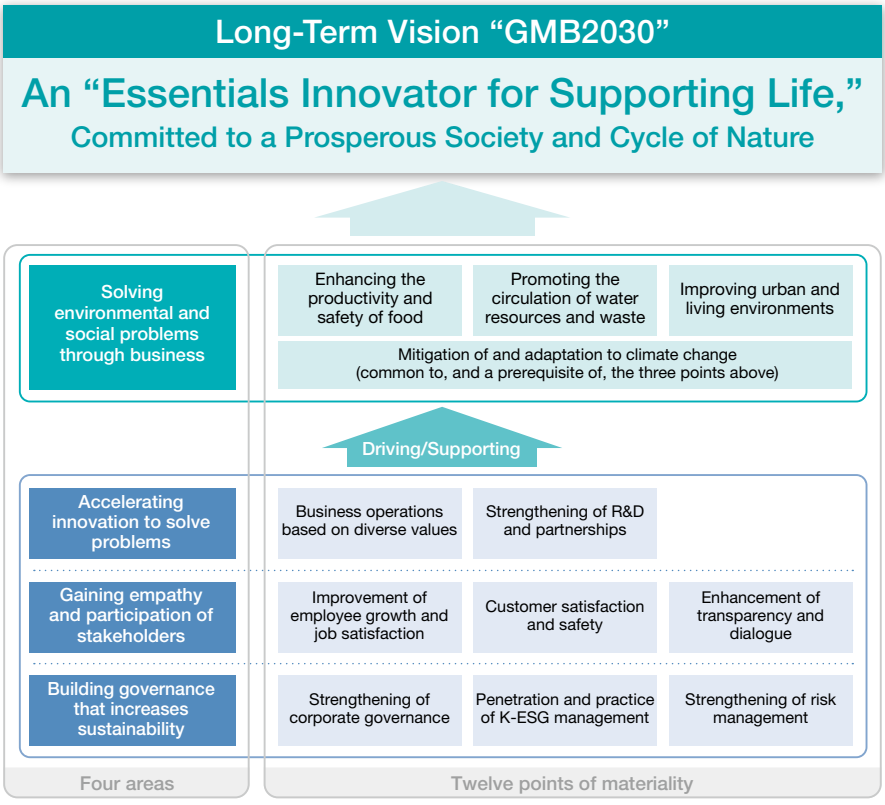
Our belief is that the heart of K-ESG management is creating corporate value—a combination of social value and economic value—by resolving environmental and social issues through our business activities, while passing down the Kubota heritage since the company’s founding. To that end, it is vital that we accelerate innovation, gain the empathy and participation of stakeholders, and create a corporate governance system that allows us to implement initiatives sustainably.

This is the way of thinking behind K-ESG management, the ethical and behavioral model to achieve the goals of the Long-Term Vision “GMB2030.”

1. We will continue to create corporate value (social value and economic value) by solving environmental and social problems through business.
2. We will resolve those problems through innovation.
3. We will forge ahead with initiatives by gaining the empathy and participation of stakeholders.
4. We will make our efforts sustainable through corporate governance that incorporates diversity and medium- and long-term perspectives.

Materiality

We have set the areas of materiality connected to our K-ESG management, our ethical and behavioral code that guides our efforts toward the realization of “GMB2030,” by considering the demands of society and our stakeholders, as well as our vision for the Kubota Group and management direction. We have broken these down into twelve points of materiality in four areas, relating to the “What” of materiality—the initiatives to tackle climate change that are common to, and a prerequisite for, the success of our solutions and business activities we will expand to realize “GMB2030”—and the “How”—the measures that will drive and support these initiatives.



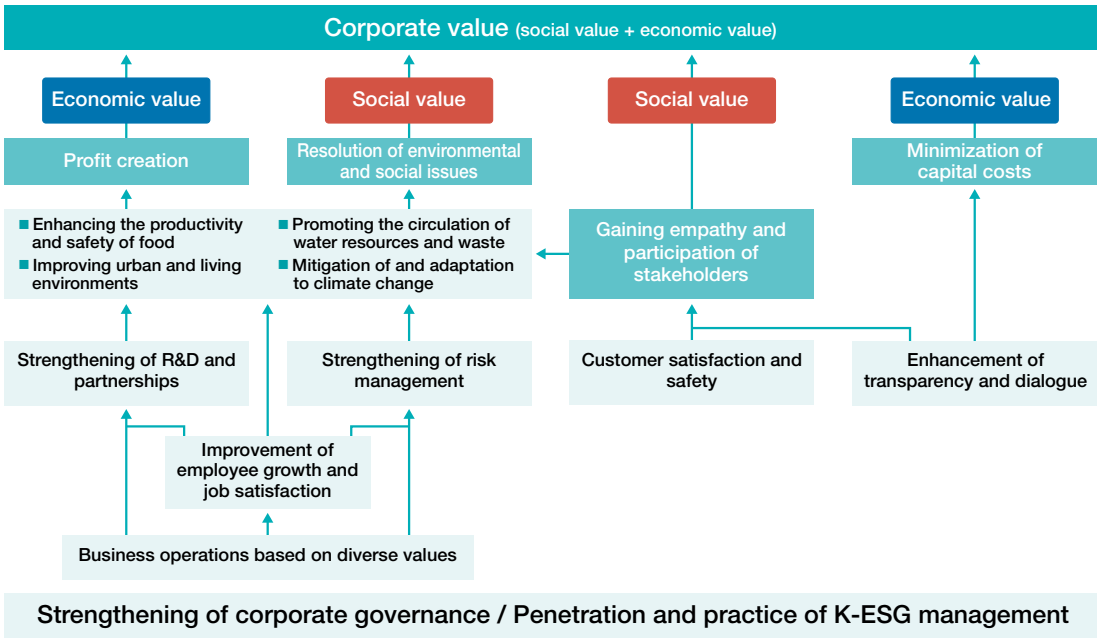
Materiality Identification Process

Materiality is discussed by the ESG Management Strategy Meeting, which, under the direct control of the President, identifies materiality candidates with consideration to opinions and evaluations gained through dialogue with investors and shareholders. It then reports these to the Board of Directors, who decide on the final materiality. This materiality, and its indicators, are not fixed in stone, however; we are always carrying out reviews that take into account social trends and our business circumstances to ensure that we enhance the level of our K-ESG management. In 2022, executives formed the core of efforts to confirm anew the importance of each area of materiality and to discuss our ultimate objectives. As part of this, we also undertook a review of the indicators that measure our progress.

Established the ESG Management Strategy Meeting and the ESG Promotion Department under the direct control of the President
→ Major departments in each field considered materiality, indicators, and numerical targets
→ During exchanges with investors and shareholders, we provided explanations and received feedback and evaluations
→ At the ESG Management Strategy Meeting, we reviewed the results and revised them at a company-wide level
→ Decisions are made by the Board of Directors

Interrelationship Between Areas of Materiality and Corporate Value

The interrelationship between different areas of materiality, and their relationship with corporate value, is hypothetically explained in the diagram below. Solving environmental and social issues (by promoting materiality related to business in the fields of food, water, and the environment) will create corporate value. Moreover, the empathy and participation of stakeholders, and a robust governance system, will also help to create corporate value and solve these problems.



Relationship Between ESG Indicators and Corporate Value

During analysis* of the relationship between ESG indicators related to our areas of materiality and corporate value, there were many instances that showed a positive correlation. We were therefore able to prove quantifiably that promoting K-ESG management boosts our corporate value.

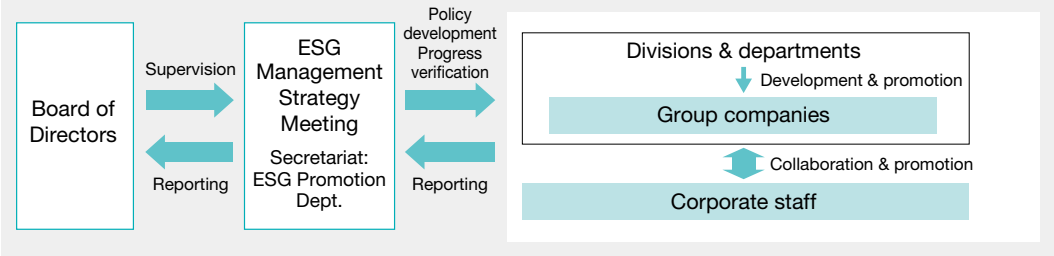
Examples where ESG indicators show a positive correlation with corporate value

- Proportion of employees who think positively of Kubota Global Identity and workplace culture
- CO_2 emissions
- Training expenses and number receiving training
- Water and energy usage

* This involved multiple regression analysis of each ESG indicator (+ ROE) and PBR to identify correlational relationships. These were deemed to be relationships proven to have a coefficient of determination adjusted for the degrees of freedom of 0.5 or above and a p value for the ESG indicator of 0.05 or below.
Analysis was carried out on the Digital ESG Platform developed by ABeam Consulting Ltd., based on a model developed by Ryohei Yanagi in his 2023 book CFO Policy (published by Chuokeizai-sha Holdings, Inc.)

K-ESG Management Promotion Framework

The ESG Management Strategy Meeting, which comes under the direct control of the President, formulates policies, and also investigates and evaluates major measures, aimed at creating corporate value for the Kubota Group in the medium and long term. The meeting's membership comprises the President and directors in charge of business divisions, finance, human resources, R&D, manufacturing, the environment, and other areas. Items decided on by the ESG Management Strategy Meeting are passed on to the business or corporate domains, who take them forward. They are also reported to the Board of Directors as and when necessary.



Note: In the names of organizations, we use "ESG" rather than "K-ESG."

Materiality Objectives and Indicators

Materiality	Reason for its importance	Ultimate objectives
Enhancing the productivity and safety of food	Four megatrends that we are witnessing are: attempts to achieve both economic growth and resource recycling, moves toward net zero greenhouse gas emissions, efforts to create a society where the marginal cost of products is close to zero through recycling and sharing, and the formation of new small and medium-sized communities that are not obsessed only with global capitalism. In response to these, we believe that there are three roles that we should play: providing solutions to support infrastructure in the areas of food, water, and the environment; realizing the development of a sustainable society and a circulation loop of nature; and, contributing to resolving social issues in a variety of communities.	An "Essentials Innovator for Supporting Life," committed to a prosperous society and cycle of nature
Promoting the circulation of water resources and waste		
Improving urban and living environments		
Mitigation of and adaptation to climate change		Alongside the challenge to achieve zero environmental impact, we will contribute to realizing a carbon-neutral and resilient society in the fields of food, water, and the environment.
Business operations based on diverse values	Recognizing diverse values allows us to amplify our strengths and make up for our weaknesses, and will help us achieve a competitive advantage. By allowing our diverse employees to fully demonstrate their myriad abilities, we can create new value by responding to change and innovating, and this will also spur on business growth.	Our employment will be fair and will provide employees with equal opportunities, regardless of race, gender, nationality, age, or disability. On a global level, we will construct a positive, open culture where everyone can share their frank opinions, and put in place an environment where diverse employees can demonstrate their true capabilities.
Strengthening of R&D and partnerships	In recent years, the issues themselves have become more advanced and more complex. Solving those issues will therefore require us to further enhance our R&D capabilities. Furthermore, we can accelerate the speed of this process by bringing in new expertise through collaboration with business partners.	In order to foresee the ever-changing society and the issues that arise, and to proactively solve them, we can make better decisions. To enable this, we will take on board the latest expertise and opinions, embody them quickly and continuously in products and services that we can continue to offer society.
Improvement of employee growth and job satisfaction	To be able to realize sustainable growth, our organization must be energetic and capable of responding to changes in the business environment flexibly. For that to happen, employees must feel motivated and hungry to tackle the challenge. Job satisfaction can be realized by enabling them to feel they are growing, and that they are making a real contribution to society and their colleagues.	In order for employees to get a sense of their own growth and the contribution that they are making to society and to their colleagues, we will aspire to be an organization that has developed an appropriate culture, systems, and mechanism so that employees can be motivated and feel a desire to work.
Customer satisfaction and safety	By sticking close to our customers and picturing the future from their perspective, we will be able to discover issues at an early stage, and provide new value that exceed their expectations. Repeating this will lead to greater customer satisfaction, and to gaining their trust, which will allow us to make the greatest possible social contribution.	We aim not only to satisfy all our customers through our products and services, but also to impress them by exceeding their expectations.
Enhancement of transparency and dialogue	Highly transparent dialogues are linked to gaining the empathy and participation of employees, suppliers, and other stakeholders, which helps to support our business activities. A better understanding of the Kubota Group will enhance our corporate value.	By disclosing information on our corporate activities in a way that is highly transparent and appropriate, and through dialogue, we aim to provide stakeholders with an accurate understanding of its activities. This will help to gain their trust and empathy, and encourage more participation in our corporate activities.
Strengthening of corporate governance	Our highest management priority is to raise our overall corporate value, balancing long-term, stable economic value and social value. Therefore, it is necessary to achieve corporate governance that supports transparent, fair, prompt and decisive management.	Whatever the social landscape or the business environment we find ourselves in, we will continue to be a self-directed organization that can realize sustainable growth. To that end, our aim is to construct a governance system that has both auditing and executive functions that help to improve the quality of both, to achieve that permanence.
Penetration and practice of K-ESG management	Sharing common values and codes of conduct among the global Kubota Group will allow us to attain "One Kubota," as well as business development. This will then support our efforts to solve environmental and social issues.	Every executive and employee in the Kubota Group understands our corporate principles, our vision, and our K-ESG government, and will work under our "One Kubota" approach to solve environmental and social issues.
Strengthening of risk management	Changes to the social landscape or the business environment are becoming more severe with every passing year, and risks are becoming ever-more diverse. A response to risks that is speedier and more effective than ever is indispensable in our quest to create sustainable corporate value.	We update our list of risks as they appear due to advances over time or changes to the social landscape or business environment and work to control them. We also possess the high-level capabilities to respond to crises, should they occur. Around the world, we will roll out the systems and mechanisms that allow us to do this, so that we can make decisions, and respond, swiftly.

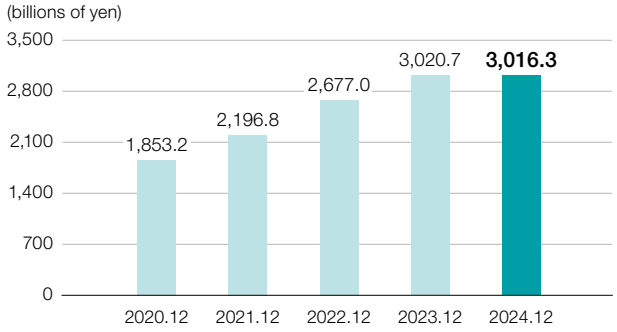
Materiality Objectives and Indicators

Materiality	Indicators	Medium- and long-term targets	FY2024 results/topics
Enhancing the productivity and safety of food	• Progress of smart agriculture and other new solutions	To be disclosed	• Announced smart farming solutions, including unmanned robot sprayers • Continued strengthening cooperation with other companies using KSAS
Promoting the circulation of water resources and waste	• Progress of resource recovery and other new solutions	To be disclosed	• Promoted development of circulation system of biomass resources within the region (started verification related to producing biofuels and fertilizers from rice straw)
Improving urban and living environments	• Progress of water environment platform and other new solutions	To be disclosed	• Developed systems to predict the number of homes without water in an emergency • Received more orders from local authorities to update water pipelines
Mitigation of and adaptation to climate change	• Emissions in Scopes 1, 2, and 3	• Scopes 1 and 2: 50% reduction from 2014 levels • Scope 3: To be disclosed (each to be achieved by 2030)	• Scope 1 and 2: 31.7% reduction compared to 2014 levels • Continued to promote energy savings, electrification of furnaces, and expanded use of renewable energy, etc.
Business operations based on diverse values	• Progress on diversity among executive officers • Proportion of female managers	• Proportion of foreign executive officers: 10% (by 2025) • Proportion of female managers (non-consolidated): 7% (by 2030)	• Proportion of foreign executive officers: 7% (as of March 21, 2025) • Proportion of female managers (non-consolidated): 4.7% (as of January 1, 2025)
Strengthening of R&D and partnerships	• Patent Asset Index (total value of patent portfolio)	• 12.5% increase compared to 2020 (by 2025)	• PAI +22% (compared to 2020) • Announced prototype for hydrogen fuel cell tractors and made a start-up a Kubota Group company
Improvement of employee growth and job satisfaction	• Employee engagement score • DX personnel	• Employee engagement score: 70 (by 2030) • DX personnel: 1,000 (by 2024)	• Employee engagement score (non-consolidated): 53 • DX personnel: 1,228
Customer satisfaction and safety	• Customer satisfaction	To be disclosed	• Pressed ahead with improvement activities based on customer questionnaires, and maintained customer satisfaction evaluations (in Japan and North America)
Enhancement of transparency and dialogue	• External institution rating	• Acquire the highest possible rating from a major external ratings agency (by 2025)	• Acquired a AA rating from MSCI ESG Ratings
Strengthening of corporate governance	• Effectiveness of the Board of Directors	• Strengthened functions of both the monitoring side and executive side as well as reinforcing periodic confirmation functions of the corporate governance system.	• Promoted eight measures to enhance functions (formulation and implementation of the annual agenda, review of agenda criteria, formulation and implementation of governance policy, etc.)
Penetration and practice of K-ESG management	• Penetration of the corporate principles and vision among employees	• Penetration score: 75 (by 2025)	• Penetration score: 40 • Continued penetration activities such as spreading messages from top management
Strengthening of risk management	• Progress toward the creation of a risk management system	• Construct a global risk management system and implement due diligence (by 2025)	• Promoted risk assessments and countermeasures for supply chains • Promoted human rights due diligence, formulated a Supplier Code of Conduct, and enhanced Supplier Hotline

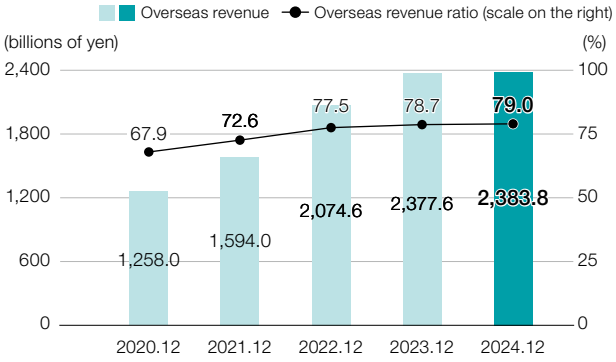
Financial Highlights

The following are excerpts from the Kubota Group's key financial data over the past five years.

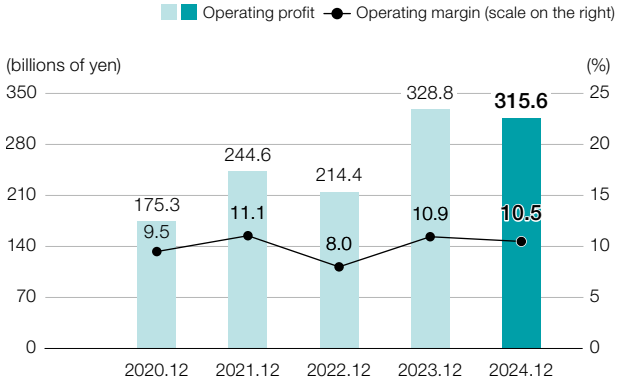
Revenue



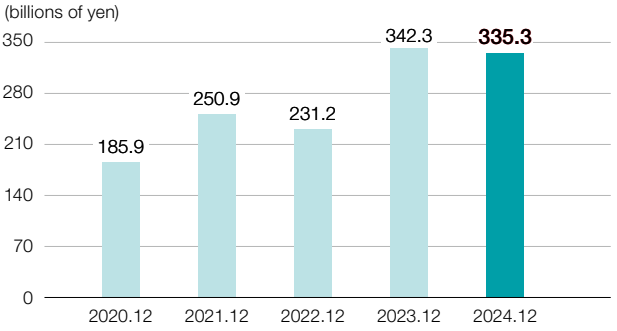
Overseas Revenue and Overseas Revenue Ratio



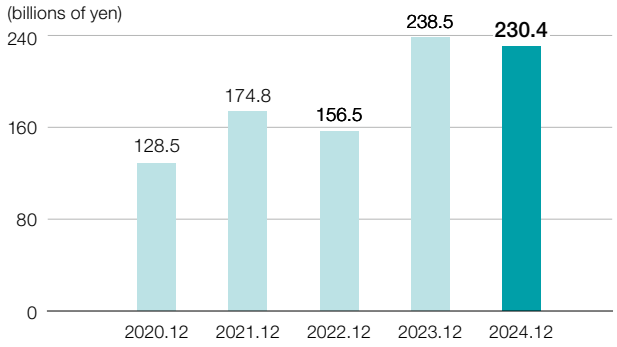
Operating Profit and Operating Margin



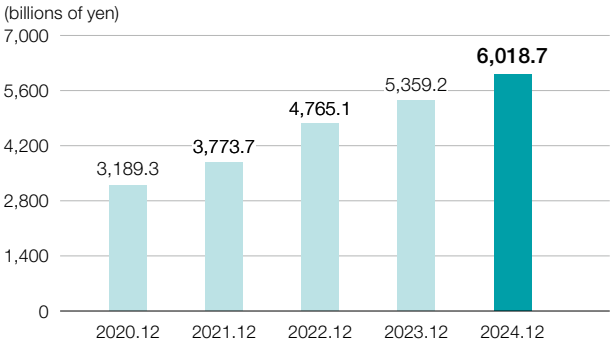
Profit before Income Taxes



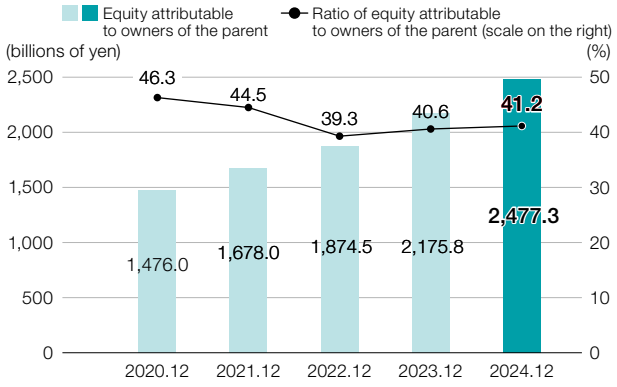
Profit Attributable to Owners of the Parent



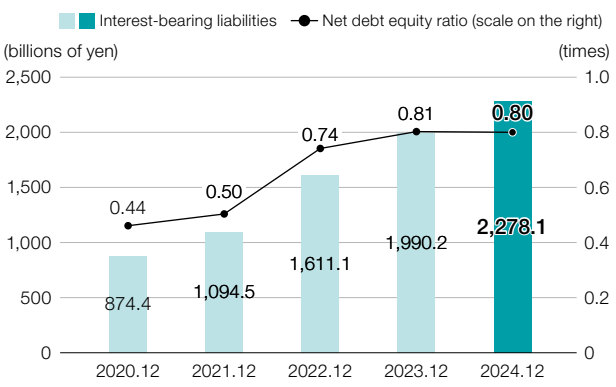
Total Assets



Equity Attributable to Owners of the Parent and Ratio of Equity Attributable to Owners of the Parent

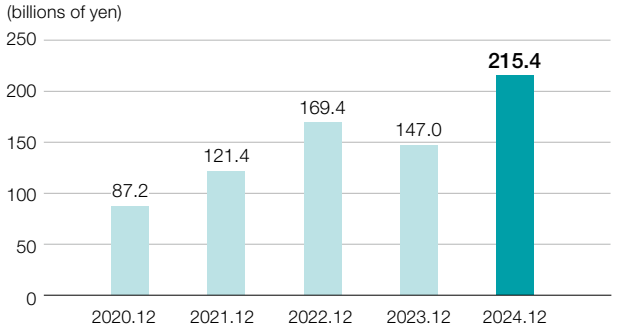


Interest-bearing Liabilities and Net Debt Equity Ratio

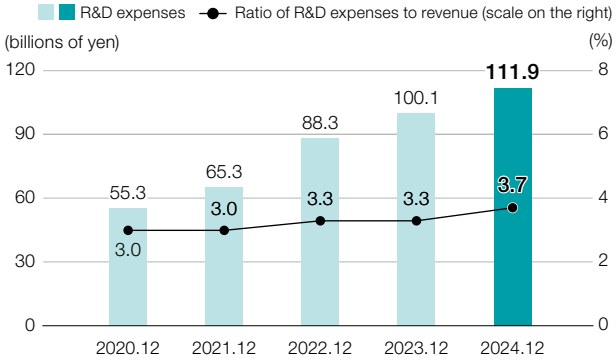


Click here for detailed financial data. Click

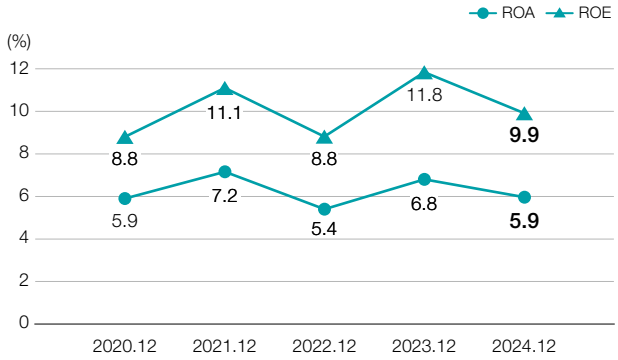
Capital Expenditures



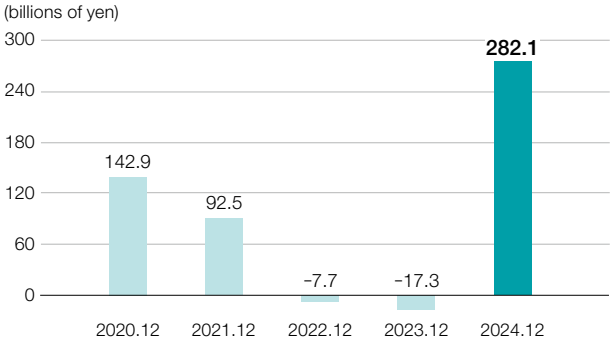
R&D Expenses and the Ratio of R&D Expenses to Revenue



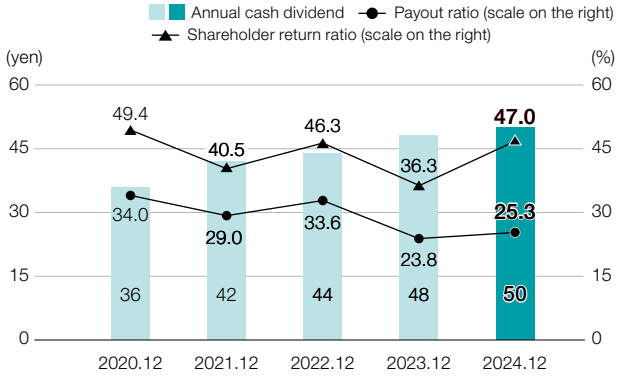
ROA and ROE



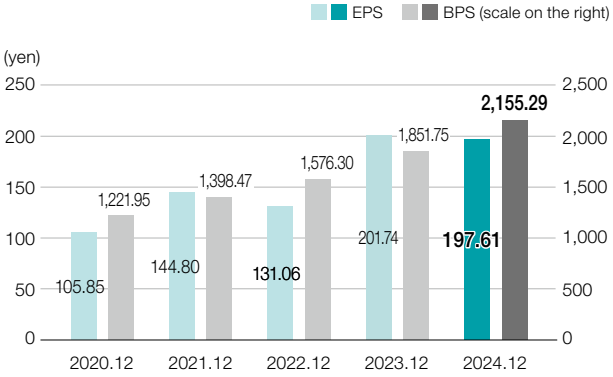
Net Cash Provided by Operating Activities



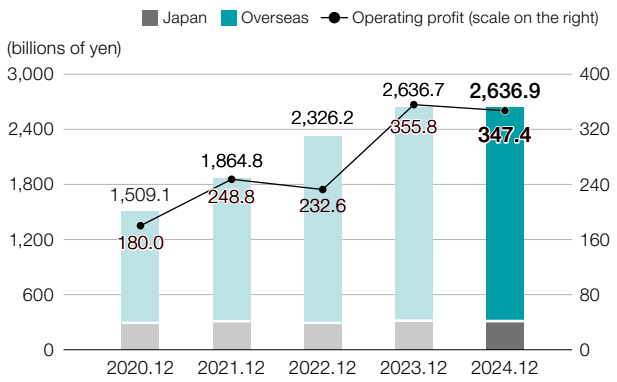
Annual Cash Dividend Per Share, Payout Ratio, and Shareholder Return Ratio



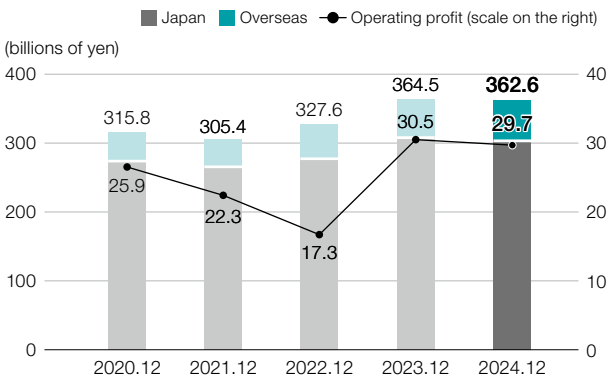
Basic Earnings per Share <EPS> and Equity Attributable to Owners of the Parent per Share <BPS>



[Farm & Industrial Machinery] Trends in Revenue and Operating Profit



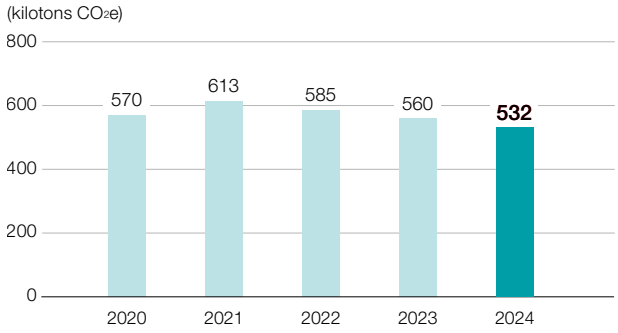
[Water & Environment] Trends in Revenue and Operating Profit



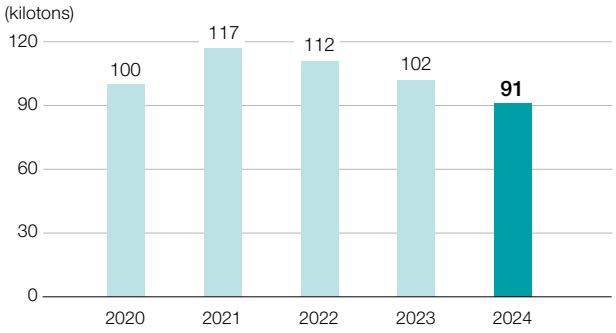
Non-financial Highlights

The following are excerpts from the Kubota Group's key non-financial data over the past five years.

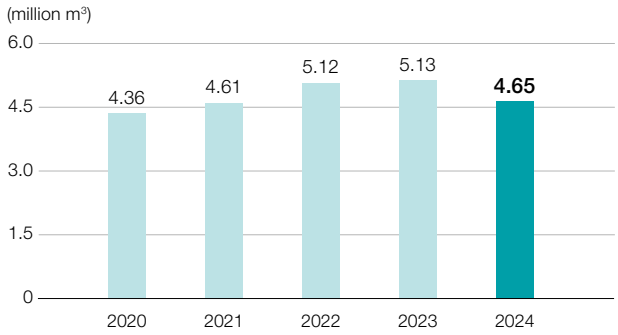
CO_2 Emissions*1 (Consolidated)



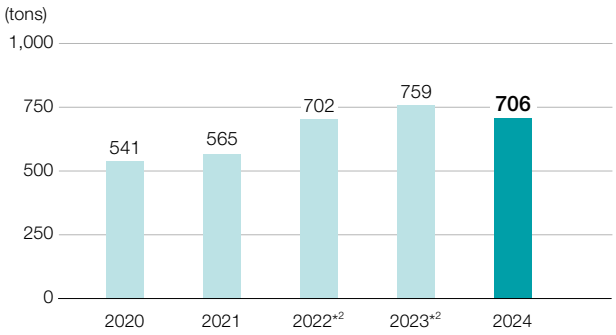
Waste Discharge*1 (Consolidated)



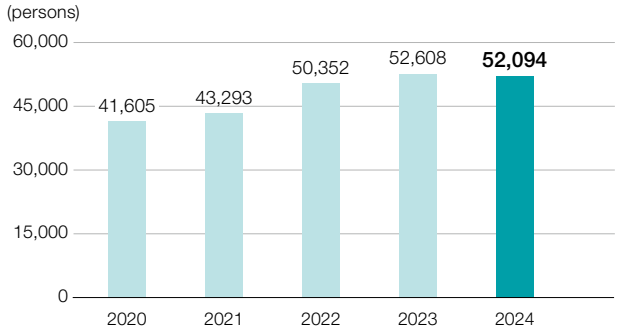
Water Withdrawal*1 (Consolidated)



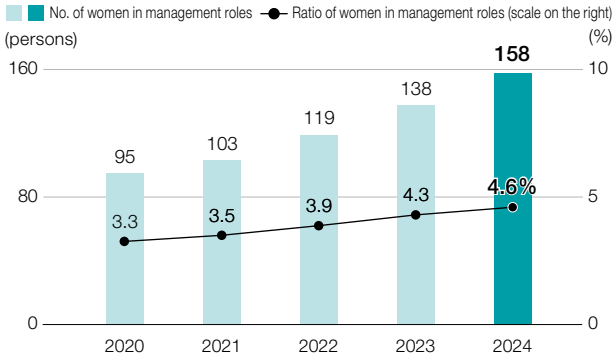
VOC (Volatile Organic Compound) Emissions*1,2 (Consolidated)



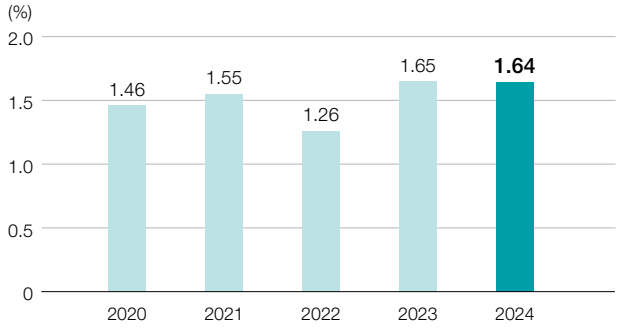
No. of Employees (Consolidated)



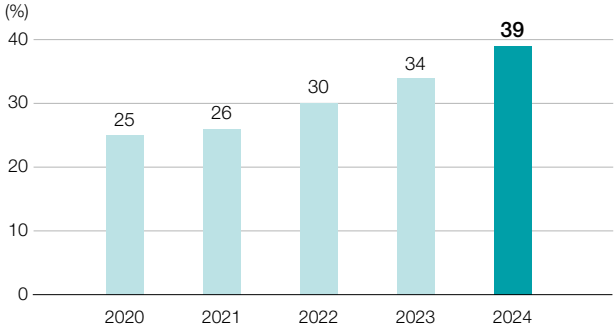
No. of Women in Management Roles (Non-consolidated)



Job Turnover Rate (Non-consolidated)

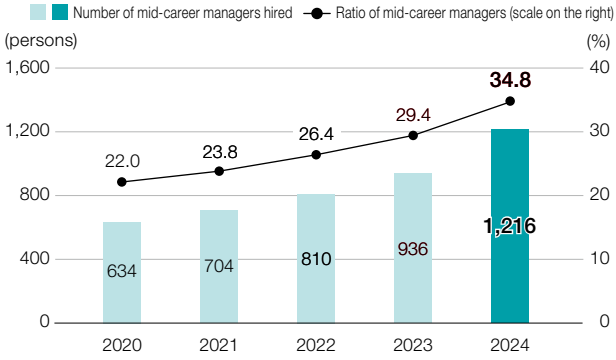


Proportion of Representatives of Sites Outside Japan Being Locals

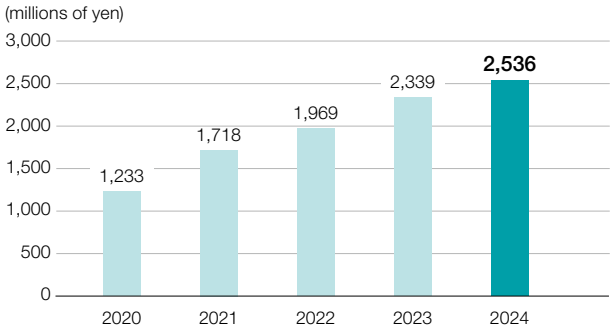


*1 For the reporting period for environmental data, see the Calculation Standards of Environmental Performance Indicators (p. 92).
*2 Figures for FY2022 and FY2023 have been corrected in order to improve accuracy.

Number of Mid-career Managers Hired (Non-consolidated)

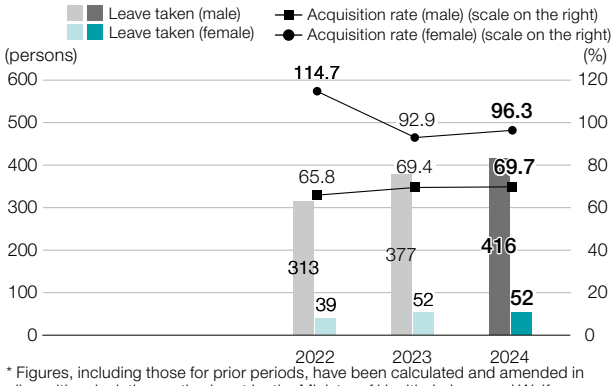


Human Resource Development Expenses (Non-consolidated)



* Please refer to "Strategic Provision of Learning Opportunities" on page 143 for details on human resource development.

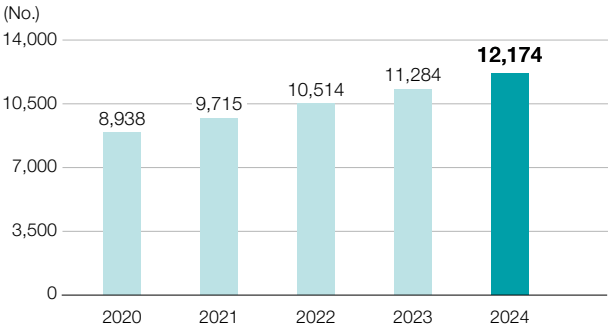
Number of Employees Taking Childcare Leave (Non-consolidated)



* Figures, including those for prior periods, have been calculated and amended in line with calculation methods set by the Ministry of Health, Labour and Welfare based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members.
* In cases where the fiscal year in which employees took childcare leave differs from the fiscal year in which their child was born, this will result in the rate exceeding 100%.

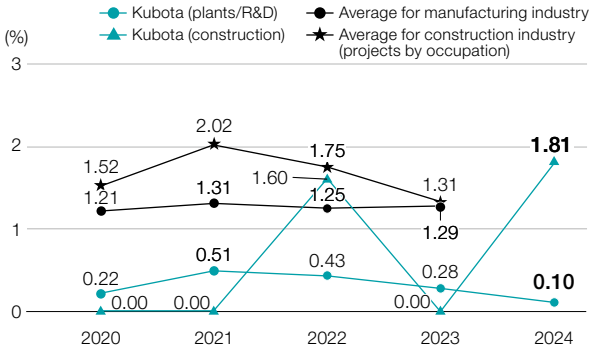
No. of Patents/New Utility Models Possessed

(Kubota Corporation and Group Companies in Japan)



Lost Time Injury Frequency Rate

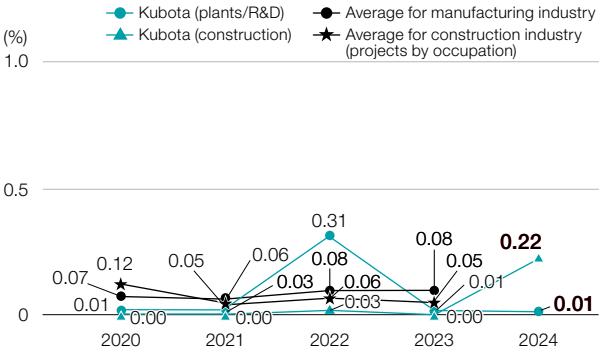
(Non-consolidated / Average for manufacturing sites in Japan)



* Average data of FY2024 had not been published till the date of the edit completion.

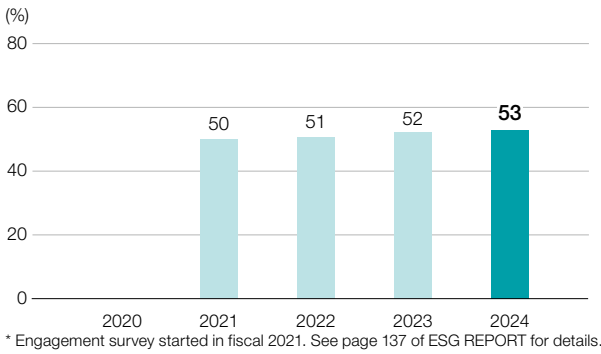
Severity Rate

(Non-consolidated / Average for manufacturing sites in Japan)



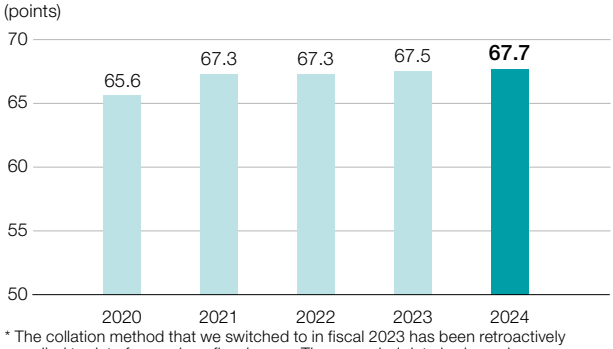
* Average data of FY2024 had not been published till the date of the edit completion.

Engagement Score (Non-consolidated / employees for general positions)



* Engagement survey started in fiscal 2021. See page 137 of ESG REPORT for details.

Overall Customer Satisfaction with Dealer Where Purchased (Japan, agricultural machinery)



* The collation method that we switched to in fiscal 2023 has been retroactively applied to data for previous fiscal years. The amended data is shown here.

Corporate Data (as of December 31, 2024)

Corporate name:	Kubota Corporation
Established:	1890
Capital:	¥84.1 billion
Total number of shares issued:	1,150,896,846
Number of shareholders:	129,528
Revenue (consolidated):	¥3,016.3 billion
Employees (consolidated):	52,094
Global network:	Over 120 countries
Overseas revenue ratio:	79.0%

Head Office
2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka 556-8601 Japan
Tel. +81-6-6648-2111

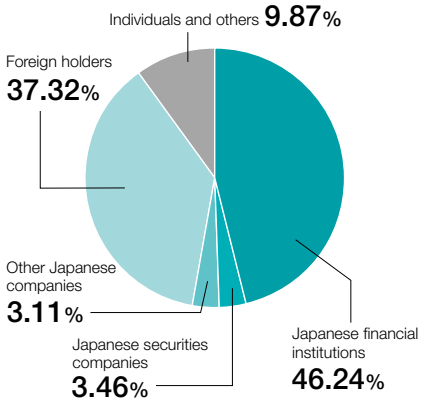
Tokyo Head Office
1-3, Kyobashi 2-chome, Chuo-ku, Tokyo 104-8307 Japan
Tel. +81-3-3245-3111

Share & Shareholder Information (as of December 31, 2024)

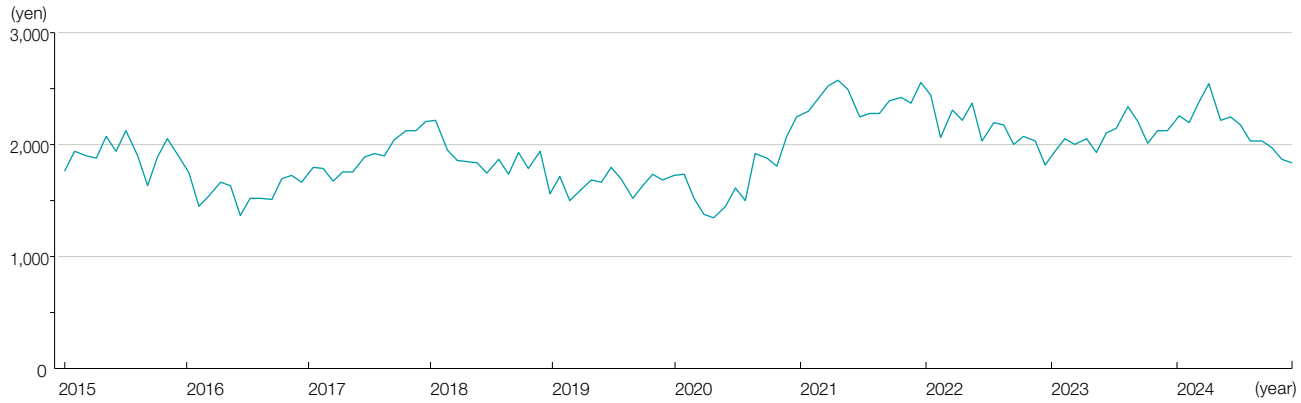
Basic share information

Fiscal year	January 1 to December 31
General Meeting of Shareholders	Held each March
Record date	General Meeting of Shareholders: December 31 Year-end dividend: December 31 Interim dividend: June 30
No. of shares constituting one share unit	100 shares
Shareholder register agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Contact details	Stock Transfer Agency Business Planning Dept. Sumitomo Mitsui Trust Bank, Limited 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063 Tel. 0120-782-031 (toll-free)
Agent helpdesks	Sumitomo Mitsui Trust Bank, Limited head office or branches throughout Japan
Reporting method	Kubota website
Stock exchange	Tokyo Stock Exchange

Shareholder Categorized Distribution



Stock price trends over the past 10 years (January 1, 2015–December 31, 2024)



10 Largest Shareholders

	Shareholders	Number of shares held (thousand)	Percentage of issued shares (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	179,028	15.56
2	Custody Bank of Japan, Ltd. (Trust Account)	67,431	5.86
3	Nippon Life Insurance Company	62,542	5.43
4	Meiji Yasuda Life Insurance Company	59,929	5.21
5	Sumitomo Mitsui Banking Corporation	28,967	2.52

	Shareholders	Number of shares held (thousand)	Percentage of issued shares (%)
6	BNYM as AGT/CLTS Non Treaty JASDEC	26,960	2.34
7	Mizuho Bank, Ltd.	25,347	2.20
8	State Street Bank West Client – Treaty 505234	19,757	1.72
9	State Street Bank and Trust Company 505001	19,228	1.67
10	Moxley and Co LLC	18,197	1.58

* Percentage of issued shares is calculated after excluding treasury shares.

Chapter

2

Environment

Kubota's mission is to solve global issues in the fields of food, water, and the environment, and in order for us to help bring about a sustainable society, we have formulated a vision and medium- to long-term targets for environmental conservation. As we work towards achieving them, we will make every effort to minimize the environmental footprint and environmental risks of our corporate activities and contribute to the development of a sustainable society and the conservation of the global environment.

<SDGs related to this section>

Environmental Management Basic Policy

Today we face various environmental problems. Many environmental problems, from those unique to each region to those on a global scale, exist around the world. As they are complexly intertwined and continuing to deteriorate, achieving a sustainable society is a global common challenge. Companies are expected to play an increasingly larger role in tackling this challenge.

Since the time of its foundation, the Kubota Group has pursued a mission of solving social problems in developing its businesses. With our promise of "For Earth, For Life," the Kubota Group will contribute to the realization of a sustainable society through its environmental management initiatives.

Environmental Charter / Action Guidelines

The Kubota Group Environmental Charter

- The Kubota Group aspires to create a society where sustainable development is possible on a global scale.
- The Kubota Group contributes to the conservation of global and local environments through its environmentally friendly operations, products, technologies, services, and corporate activities.

The Kubota Group Environmental Action Guidelines

1. Environmental Conservation Efforts in All Business Activities
   (1) We promote environmental conservation measures in all stages of our corporate activities, including product development, production, sales, physical distribution, and service.
   (2) We also request that our suppliers understand the importance of environmental conservation efforts and cooperate in this regard.
2. Global Environmental Conservation
   (1) We promote global environmental conservation measures intended for dealing with climate change, creating a recycling-based society, conserving water resources, and controlling chemical substances.
   (2) We promote global environmental conservation by providing products, technologies, and services that contribute to solving environmental problems.
   (3) We strive to ensure our corporate activities are friendly to the natural environment and biodiversity.
3. Environmental Protection to Create a Symbiotic Relationship with Local Societies
   (1) We make efforts in the reduction of environmental risks and promote our business activities with proper consideration for the protection of local environments, including pollution prevention.
   (2) We actively participate in environmental beautification/education activities in local communities.
4. Our Voluntary and Organized Efforts in Environmental Conservation
   (1) By introducing the environmental management system and establishing voluntary targets and action plans, we work on our daily business operations.
   (2) We endeavor to enhance environmental awareness through active environmental education/enlightenment activities.
   (3) We actively provide stakeholders with environment-related information.
   (4) We collect stakeholders' opinions broadly through environmental communication, and reflect the findings in our environmental activities.

Environmental Management Approach

Concepts of Environmental Management

The Kubota Group has established the "For Earth, For Life" Brand Statement as its concept for environmental management. It expresses the Group's aspiration to balance its business growth and contribution to environmental conservation through its environment-friendly products, technologies, services and corporate activities, as it aims for ongoing synergistic development with society in order to continue supporting the prosperous life of humans while protecting the environment of this beautiful Earth.

The Group has set five basic items for its environmental conservation, namely, "Mitigating and Adapting to Climate Change," "Working towards a Recycling-based Society," "Conserving Water Resources," "Controlling Chemical Substances," and "Conserving Biodiversity." Based on these items, the Group is committed to the development of society and the conservation of the global environment through the delivery of products, technologies and services that help solve the social problems in the fields of food, water, and the living environment and through the reduction of the environmental loads and environmental risks of its corporate activities.

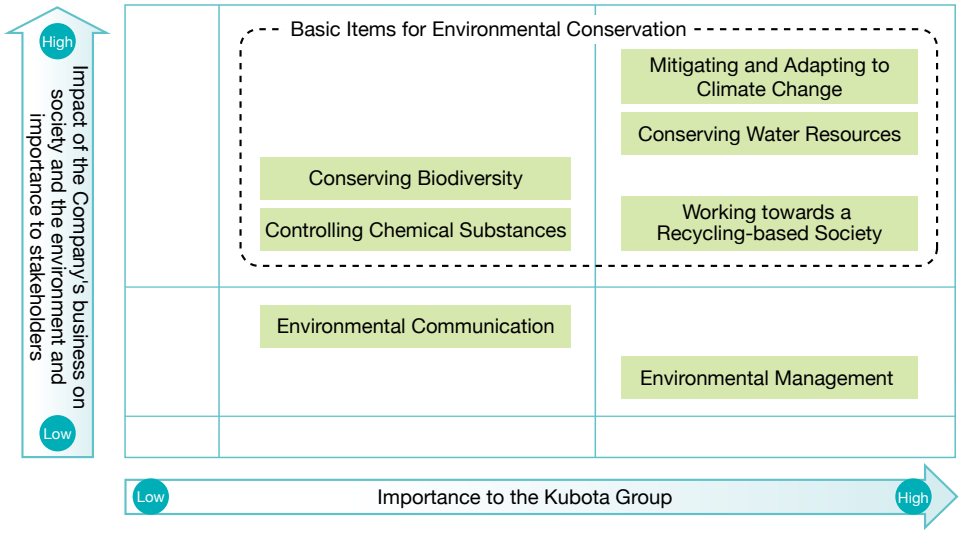
Materiality in Environmental Management

The Kubota Group has identified material issues (priority issues) in its environmental conservation activities, taking into consideration their importance in business, requests and expectations from stakeholders, and social trends.

Process for Identifying Materiality

Step 1	**Gathering and analyzing information** We gathered and analyzed information on international frameworks and policy trends, key external evaluation indicators, global trends in the Kubota Group's business fields, etc.
Step 2	**Listing material issues** Through discussions at the ESG Management Strategy Meeting and interviews with relevant internal departments, and dialogues with ESG (environment, society, governance) investment institutions and external experts, we listed issues relating to environmental conservation.
Step 3	**Identifying materiality** Based on the "double materiality" approach, we examined the identified issues from two perspectives of 1) the impact of the Company's business on society and the environment and the importance to stakeholders and 2) the importance to the Kubota Group, plotting the identified priority issues on a matrix.
Step 4	**Formulating and implementing key measures** After identifying the impacts (risks and opportunities) related to issues with a high degree of importance for both stakeholders and the Kubota Group, we formulate key measures and promote the steady implementation thereof.

Materiality Matrix



Materiality Awareness

Mitigating and Adapting to Climate Change	Against a backdrop of more frequently occurring natural disasters caused by abnormal weather and other factors believed to be linked to climate change, tackling this challenge has become an issue of global proportions. As a corporate group that conducts business activities throughout the globe, the Kubota Group believes in the importance of working to reduce the emissions of greenhouse gases (a climate change mitigation strategy) in the corporate value chain as well as undertaking adaptive measures designed to avoid and reduce damage due to the impact of climate change.
Conserving Water Resources	Access to safe drinking water is a critical part of life-supporting infrastructure. Despite this, there are many people throughout the world that cannot access safe drinking water. In the future, the impacts of climate change are expected to exacerbate the uneven distribution of water resources. The Kubota Group has defined "Water" as one of its business areas, and believes in the importance of becoming more deeply committed to the supply of safe, secure water through the construction of water infrastructure, as well as conserving local water resources, which includes saving water, recycling wastewater, and applying water quality-related risk management at its business sites.
Working towards a Recycling-based Society	Mineral resources are used widely throughout modern society, but there is a limit to the amount existing on the planet. More recently, increasing amounts of waste and marine plastic pollution have become global issues. Likewise, the Kubota Group believes in the importance of providing waste processing services and related equipment, for example, as solutions for issues related to waste material from human lifestyles and economic activities and to enable the realization of a circular economy, as well as effectively utilizing resources and reducing waste in the business value chain.
Conserving Biodiversity	As part of agriculture, living things are the resource that is subject to harvest, and these living things and biodiversity are integral to plentiful and stable food production. The Kubota Group defines "food, water, and the environment" as its business areas, and we believe in the importance of delivering products and services that contribute to the conservation of biodiversity and natural capital, such as addressing efficiency in agriculture and its wide-ranging needs, safe and secure water supply and solutions for recycling resources. We also think it is important that we undertake business activities in consideration of the results of impact assessments on biodiversity and natural capital, and protect the natural environment around our business sites.
Controlling Chemical Substances	Chemical substances have become an essential part of our lifestyles. However, chemical substances hold the potential to significantly impact humans and ecosystems, a fact that has led to stringent laws and regulations related to their appropriate use and control. The Kubota Group believes in the importance of appropriately controlling the chemical substances contained in its products and handled at its business sites in order to minimize the impact on customers, those who live and work near its business sites, employees, and ecosystems.

Risks and Opportunities

The Task Force on Climate-related Financial Disclosures (TCFD) set up by the Financial Stability Board (FSB) released its final report in June 2017 to provide companies with recommendations for assessing and disclosing the financial implications of climate change. Also, the Taskforce on Nature-related Financial Disclosures (TNFD) released its recommendations in September 2023 regarding a framework for companies to assess the impacts of their business activities on the natural environment and biodiversity and how that information should be disclosed.

In light of the risks (transitional and physical risks) and opportunities recommended for disclosure by the TCFD, the TNFD, and other organizations, the Kubota Group endeavors to continuously assess the implications related to materiality (basic items for environmental conservation) considered to have a high degree of importance for stakeholders and the Kubota Group from the perspective of risks and opportunities. Moreover, we make efforts towards reducing risks and creating value from opportunities.

		Envisaged scenario	Impact on the Group	Time horizon*		
				Short term	Medium term	Long term
Mitigating and Adapting to Climate Change	Risks	• Stricter regulations for companies related to energy saving and controls on the emissions of greenhouse gases, etc.	Increase in regulatory compliance cost	→	→	→
		• High energy prices due to structural changes in energy driven by accelerating moves towards decarbonization and expanded use of renewable energy, etc.	Increase in product development and manufacturing costs	→	→	→
		• Increasing frequency and severity of weather disasters such as typhoons and torrential rains driven by climate change	Negative impact on the Group and its suppliers	→	→	→
		• More pests, lower crop yields • Changes in agricultural style due to relocation of suitable farming land, etc.	Loss of selling opportunities			→
		• Transition to next-generation power, such as electrification, and discontinuation of products with poor energy efficiency in line with growing interest in climate change among our markets and customer base	Increase in product development cost Loss of selling opportunities			→
		• Stronger calls and regulations for disclosure of climate action	Increase in regulatory compliance cost and lower external evaluation	→	→	→
	Opportunities	• Launch of products and services that facilitate energy savings, energy creation, and decarbonization	Expansion of selling opportunities	→	→	→
		• Accelerate energy-saving measures, such as upgrading to high-efficiency equipment at business sites	Increase in productivity	→	→	→
		• Growing demand for agricultural machinery and farming solutions in step with the change of agricultural practices • Increased demand for water infrastructure that is resilient to floods, droughts, and other weather disasters	Expansion in business related to adapting to climate change		→	→
Working towards a Recycling-based Society	Risks	• Expansion of regulations on import, export and use of discarded plastic and stricter waste-related regulations, etc.	Increase in regulatory compliance cost	→	→	→
		• Resource depletion and soaring resource prices	Increase in manufacturing costs	→	→	→
		• Expanded use of recycled materials towards the transition to a recycling-based economy	Increase in product development and manufacturing costs		→	→
	Opportunities	• Launch of products that consider resource recycling, including the use of recycled materials • Contribution to the effective use of resources through the deployment of environmental and waste-disposal services • Promotion of easier product maintenance and used product recycling	Expansion of selling opportunities	→	→	→
		• Acceleration of resource conservation measures at business sites	Improvement of resource efficiency	→	→	→
Conserving Water Resources	Risks	• Non-compliance with wastewater standards, etc. • Stricter water-related regulations, etc.	Fines and shutdowns Lower social credibility Increase in regulatory compliance cost	→	→	→
		• High water prices due to aging water infrastructure and shortage of available water for industrial use	Increase in manufacturing costs	→	→	→
		• Increasing frequency and severity of weather disasters such as flooding and droughts driven by climate change • Water use restrictions in areas of high water stress risk	Negative impact on the Group and its suppliers	→	→	→
		• Lower crop yields due to shortage of water resources • Changes in agricultural styles due to relocation of suitable farming land, etc.	Loss of selling opportunities		→	→
		• Changes in needs for products and services in regions with high water risk	Increase in product development and manufacturing costs		→	→
	Opportunities	• Expansion in need for solutions for water & the environment-related products that ensure access to safe and secure water and wastewater treatment and recycling treatment facilities that comply with stricter regulations	Expansion of selling opportunities	→	→	→
		• Expansion in water conservation and wastewater reuse at business sites	Increase in productivity	→	→	→
		• Expansion in need for water infrastructure that is highly resistant to flooding, droughts, and other disasters	Expansion in business related to adapting to climate change	→	→	→
Controlling Chemical Substances	Risks	• Non-compliance with chemical substance-related environmental standards • Stricter chemical substance-related regulations, etc.	Fines and shutdowns Lower social credibility Increase in regulatory compliance cost	→	→	→
	Opportunities	• Launch of products compliant with emissions gas regulation and toxic substance use regulation	Expansion of selling opportunities	→	→	→
		• Decreased use of substances of concern at business sites	Improvement in working environment	→	→	→
		• Decreased use of paints and improved yields at business sites	Increase in productivity	→	→	→
Conserving Biodiversity	Risks	• Violation of biodiversity- and natural capital-related regulations	Fines and litigation			→
		• Decline in natural capital	Shortages of raw materials and water resources Increase in procurement costs	→	→	→
		• Inappropriate land use, pollutant emissions, and excessive resource consumption, etc. • Sales of products with a low level of environmental performance	Litigation raised by local communities Lower social credibility Customer churn		→	→
		• Stronger calls and regulations for disclosure of action on conserving biodiversity and natural capital	Increase in regulatory compliance cost and lower external evaluation		→	→
	Opportunities	• Greater demand for products and services that contribute to sustainable agriculture, including restrictions on the excessive use of agrochemicals and fertilizer • Launch of products and the like that curb exhaust gas emissions, noise, and vibrations • Rising demand for products and services that contribute to the recovery and recycling of resources	Expansion of selling opportunities		→	→
		• Promotion of activities that consider biodiversity and natural capital, and environmental communication with local communities	Improve brand image Improvement of employees' environmental awareness	→	→	→

* Timing of manifestation is presented as short term (within three years), medium term (between three and five years), and long term (more than five years).

Key Measures

In order to address the issues identified as materiality, the Kubota Group promotes the following key measures from the perspective of the value chain.

	Value chain of business (Expanding Environment-conscious Products and Services P73-76)		
	Design and development, procurement	Manufacturing and distribution	Use and disposal
Mitigating and Adapting to Climate Change (P29-51)	・Optimal regional procurement ・Distributed procurement	・Reduce waste and loss in the use of energy based on the Kubota Production System concept ・Recover and reuse waste energy ・Fuel conversion ・Expand use of renewable energy ・Improve distribution efficiency ・Promote modal shift ・Promote BCP measures	・Lower fuel consumption ・Shift to next-generation power ・Use of low- and zero-carbon fuels ・R&D for decarbonization of power sources and reducing GHG emissions in society ・Improve efficiency and save labor for work and management ・Conserve energy during construction
Working towards a Recycling-based Society (P52-55)	・Use recycled materials ・Reduce the number of parts ・Reduce packing material	・Conserve resources ・Promote the 3Rs for waste and convert waste into functional materials ・Reduce plastic ・Reduce packing material ・Ensure proper waste management ・Strengthen waste management using systems	・Extend product life ・Improve ease of maintenance ・Promote product recycling ・Ensure proper disposal
Conserving Water Resources (P56-57)	・Assess water risks ・Optimal regional procurement ・Distributed procurement	・Promote the 3Rs for water resources ・Ensure proper wastewater management ・Promote BCP measures	・Save water consumption ・Promote purification or recycling of wastewater ・More efficient development and management of water infrastructure
Controlling Chemical Substances (P58-60)	・Reduce the use of substances of concern	・Reduce VOC emissions ・Substitute for organic solvents ・Ensure proper chemical substance management	・Make exhaust gas cleaner ・Reduce environmental impacts on soil and water areas
Conserving Biodiversity (P61-72)	・Assess the dependence and impact on natural capital	・Assess the dependence and impact on natural capital ・Promote environmental conservation activities and reduce the environmental impact ・Beautification and greening of business sites and neighborhoods	・Conserve soil and water areas ・Reduce noise and vibration
Environmental Management (P77-82)	・Promote global environmental management led by the members at the management class level ・Systematically reduce environmental impacts toward achieving the Medium- and Long-Term Environmental Conservation Targets ・Reduce environmental risks through environmental risk assessment and due diligence ・Ensure environment-friendly design through product environmental assessment ・Promote green procurement ・Develop products and services that contribute to global environmental protection and solving social problems ・Enforce compliance in accordance with globally systemized environmental conservation rules ・Promote environmental training and environmental awareness-raising activities		
Environmental Communication (P83-85)	・Strengthen information dissemination through the environmental report and website ・Comply with sustainability information disclosure regulations in each country ・Promote environmental communication tailored to each target ・Enhance two-way communication with stakeholders ・Participate in regional environmental conservation activities		

Relationships Between Environmental Conservation Activities and the SDGs

The Kubota Group environmental conservation activities are deeply related to the SDGs. In order to illustrate the relationship between our environmental conservation activities and the SDGs, we have organized their connections with the SDG targets.

View the list of related SDGs and targets Click➡

Environmental Vision

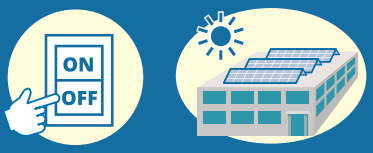
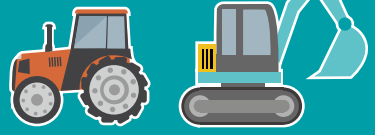
In a situation with an increased uncertainty about the future due to social problems on a global scale, such as food issues and global warming, long-term, world-common goals have been set such as SDGs, the Paris Agreement, and others. For the climate change problem, the shift to a "decarbonized" society has been accelerated, with each country declaring net zero emissions of CO_2 and carbon neutrality. Also, the move from the conventional economy that has led to mass production, mass consumption, and mass waste disposal toward a circular economy has progressed, which aims for an economy with minimized waste generation by preserving and maintaining the values of products and resources as long as possible.

With "For Earth, For Life" as its concept for environmental management, the Kubota Group aims to contribute to the realization of a sustainable society, regarding environmental conservation, including climate change countermeasures, as a priority issue in its corporate activities. The Kubota Group has formulated its "Environmental Vision," which, together with our Long-Term Vision "GMB2030," shows the direction of our business activities toward 2050 from an environmental perspective, and we are promoting initiatives to realize this vision. Before considering Mid-Term Business Plan 2030, we conducted a review of our "Environmental Vision" formulated in 2020, with the aim of further clarifying our response to climate change and a circular economy.

Environmental Vision —Target Situation toward 2050 from an Environmental Perspective—

We will contribute to realizing a carbon-neutral and resilient society in the fields of "food, water, and the environment."

Taking up the Challenge of Carbon Neutrality

Scopes 1 and 2: Emission reduction at sites 	• We will promote energy-saving measures such as reduction of energy waste and loss and productivity increase based on the Kubota Production System (KPS) concept, and fuel conversion. • We will expand use of renewable energy.
Scope 3: Reduction in emissions from products 	• We will develop electric- and fuel cell-powered agricultural machinery and construction machinery products. • We will promote wider use of low-carbon and non-carbon fuel in engines and products with engines. • To enable precise work on a larger number of operations using less energy, we will promote efficiency improvements when using products.
Greenhouse gases emitted by society: Reduce emissions from societal activities 	• We will develop solutions that contribute to curbing greenhouse gas emissions from agriculture. • We will provide technologies for recovering and remanufacturing resources, and contribute to curbing greenhouse gas emissions associated with the circular economy and resource extraction and refining. • We will develop solutions for increasing the efficiency of urban infrastructure management.

Please refer to pages 46–51 for details of initiatives.

Toward the Realization of a Carbon-Neutral and Resilient Society

Procuring raw materials and components, and processing them into products, our company provides our customers with our various products. In this process, and in the use of the products by customers, energy and other resources are consumed. To continue our business globally, we need to use limited resources in an efficient and sustainable way. Toward the realization of the mitigation of climate change and carbon neutrality, we will systematically promote the reduction of greenhouse gas emissions in our business activities, a thorough reduction of waste or loss of energy based on the Kubota Production System (KPS), fuel switching, and the recovery and reuse of waste energy. In addition, we also aim to achieve a switch to 100% renewable energy for the energy used at our business sites.

In addition to the mitigation of climate change (controlling greenhouse gas emissions), Kubota also engages in environmental conservation activities and provides environment-conscious products and solutions to adapt to the effects of climate change (avoiding or minimizing damage brought about by climate change) and to address water and waste issues. In these ways, we are contributing to the realization of a sustainable, especially carbon-neutral and resilient society.

Greenhouse gas emissions from the food sector, including land use in the agricultural field, are said to account for about 23% of the world's total emissions. It is believed that without efficient food production, greenhouse gas emissions will increase. According to the IPCC's Sixth Assessment Report, atmospheric concentrations of methane and nitrous oxide, which have a stronger greenhouse effect than CO_2, are rising and measures are needed to curb their emissions. Also, climate change is affecting the reduction and relocation of arable land, agricultural practices, and even ecosystems. Given the declining number of farm workers owing to the impact of urbanization in rural areas, more efficient food production and increased crop yield per area under cultivation are now needed.

In the "food" sector, which is one of our business areas, we believe we can reduce emissions of not only CO_2, but also methane and nitrous oxide, and contribute to more efficient food production by further evolving smart agriculture, the automatic operation of farm machinery, farming technology, and water environment solutions technology. By improving the efficiency of farming, we will help reduce greenhouse gas emissions in the agricultural sector by increasing the productivity of agriculture, reducing energy consumption, conserving resources of fertilizer and pesticides, and curbing deforestation intended to expand agricultural land.

Under the influence of climate change, the frequent occurrence and intensified damage of weather disasters have become remarkable. In addition, with available water resources unevenly distributed depending on the regions, the population who cannot access safe water has risen to 1.6 billion people. Even if we succeed in controlling the global rise of temperature due to climate change to less than 1.5°C, the population who has to face water shortages is expected to increase. Also, population increase and improved living standards are assumed to further aggravate the resource and waste problems and agricultural water shortages due to mass production, mass consumption, and mass waste disposal.

In the "water and the environmental" fields, we will provide products, services, and solutions, such as products to contribute to disaster prevention and disaster recovery, and efficient water monitoring and management systems that utilize AI / IoT, which are designed to avoid and mitigate damage due to the influences of climate change, including frequent occurrence of climate disasters, changes in agricultural styles, and increase in the frequency of work-related heatstroke. To promote advanced recycling of water resources and waste, we will provide resource recovery solutions and further expand our products and services for controlling water pollution and air pollution, contributing to a circular economy and natural disaster-resistant community-building, and the realization of a resilient society.

Background in Establishing the Environmental Vision

World Around Kubota's Business in 2050

Based on the scenarios of the Intergovernmental Panel on Climate Change (IPCC) and the World Resources Institute (WRI), we analyzed a social image in 2050 when the temperature rises by 1.5°C/2°C and 4°C. Global environmental problems, including climate change and water risks, may not only have negative effects on our company's operation in the future, such as soaring energy and water prices and frequent occurrence of natural disasters, but also further aggravate social problems in the "food, water and the environment" fields, which are part of our company's business areas. Also, the delayed responses to these environmental problems may pose a risk to our company's business activities. To continue our global business, we believe it is essential to strike a balance between business development that can contribute to solving social problems toward the achievement of SDGs and ESG management that includes responses to the environmental problems.

● World in 2050

The world population is expected to approach 10 billion people by 2050, mainly in emerging countries such as Africa and Asia, and the food demand along with the population increase is also expected to increase about 1.6 times. Also, economic development can enhance the need to improve people's living environment, and can result in an increase in global demand for energy and consumption of many resources. The same will be applied to water demand. Water demand will increase, especially in the manufacturing industry and for the use for power generation and for domestic use, and is expected to be about 1.6 times the current demand by 2050.

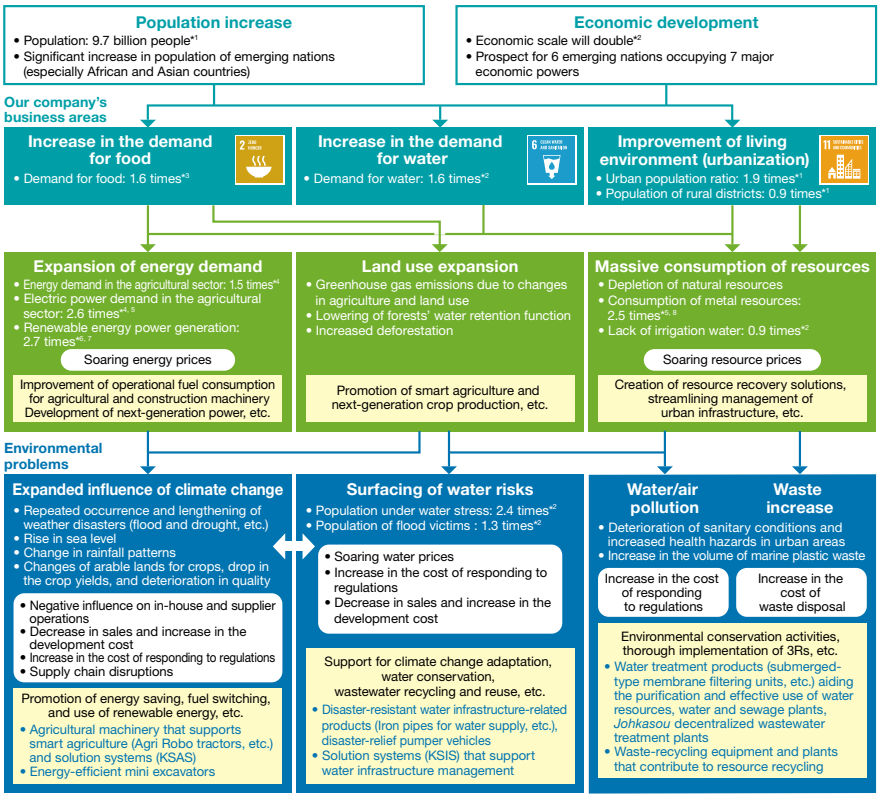
Increase in food demand and water demand, expansion of energy demand due to urbanization, etc., and cultivation of new land for food production may aggravate the climate change problem. Climate change can have a huge negative impact on people's lives. If rainfall patterns are altered, conventional crop production may become impossible as arid or high-precipitation belts shift geographically. Weather anomalies may also cause populations to be affected by more frequent flooding and other water damage.

If we continue our current economic activities and social activities without efficiently utilizing our limited resources, such as energy, people's current lifestyles themselves may no longer be feasible.

A World Where Temperature Rise Is Less Than 1.5°C/2°C

We believe that to achieve the goals stipulated in the Paris Agreement, each country will accelerate their moves for energy saving and the reduction of CO_2 emissions, and strengthen related laws and regulations, which should result in a growing concern about climate change among markets and customers. This is why we have assumed that the needs for energy saving, decarbonization, and electrification will be enhanced.

For example, tractors, combine harvesters, rice-transplanters, construction machinery, and engines, which are our company's major products, are under application of the exhaust gas regulations of Japan, European countries, and the U.S., etc. Our engines are also used for construction machinery, which plays an active role in the development of urban areas. In the future, since each country's regulations for engines may be tightened, we believe that investment will increase in the development of engines that conform to new exhaust gas regulations and engines that contribute to decarbonization while maintaining conventional performance. Also, if each country's efforts toward the mitigation of climate change are advanced, while the ratio of fossil-fuel power generation decreases due to strengthened carbon taxes, energy prices are expected to soar with an increase in the ratio of renewable energy power generation.



*1 "World Urbanization Prospects 2018" (United Nations)
*2 "Environmental Outlook to 2050" (OECD)
*3 "CREATING A SUSTAINABLE FOOD FUTURE" (WRI)
*4 "Energy Technology Perspectives 2017" (IEA)
*5 Forecast around 2060
*6 "World Energy Outlook 2018" (IEA)
*7 Forecast around 2040
*8 "Global Material Resources Outlook to 2060" (OECD)

As calls for the environmentally sound performance of products grow around the world in connection with climate change, the needs for high-energy-efficiency products and solutions that enable the same effects should be enhanced also in the fields related to water treatment as well as the agricultural machinery and construction machinery that Kubota offers. In our business activities, we also believe that with a risk of increase in the energy procurement cost, energy saving and expansion of the use of renewable energy will become important issues.

A World Where the Temperature Has Risen by 4°C

If the world's average temperature rises by 4°C, with the changes in the rainfall and climate patterns, weather disasters are expected to further increase, such as with the typhoons and torrential rains that have been observed around the world recently. Depending on the areas, it may be difficult for people to access the safe water required for business activities and livelihood due to drought. These weather disasters may cause a suspension of business activities, affect agricultural produce, and increase damage on the basic needs of people's livelihood such as water infrastructure.

For instance, in coastal regions and rainy regions, heavy rain or flooding may cause inundation of plants, blackouts, logistic suspension, and delayed shipping. Also, with increased frequency and length of these weather disasters, there are concerns over further expansion of damage. Even in the production of farm products, climate change is expected to have negative influences such as causing changes of arable land and a reduction in the amount of harvested crops, and may further affect the sales of agricultural machinery. Climate change may cause the occurrence of drought, which may cause the occurrence of risks for business activities, such as water shortages and restrictions on the amount of water in the relevant regions.

While climate change is expected to affect the changes of arable land and crop production, we believe that the necessity of agricultural solutions for continuing farming even under a range of climate conditions, and of smart agriculture capable of realizing efficient production in limited land, will increase. Likewise, we believe that contributing to the building of a natural disaster-ready city that can maintain people's living environment even after the occurrence of a natural disaster will be our important task.

The above statements are the outline of the results of scenario analysis based on the proposals of TCFD for the examination of the Kubota Group's Environmental Vision. The world in 2050 may be different from each scenario. We will continue to improve our information disclosure based on the proposals of TCFD.

Expected Image of Society

As people's lives become more and more enriched, new environmental problems to be solved will occur in the future. However, we do not wish to have a new society at the price of the global environment. As a result of analyzing a future society image based on the impact of climate change, the Kubota Group believes that what society expects for us in order to make the world sustainable in or after 2050 is as follows:

◇ Realization of carbon-neutral society aimed at mitigating climate change by curbing greenhouse gas emissions
◇ Realization of a resilient society that makes more efficient use of resources, is able to undertake economic activities in harmony with the natural environment, and can adapt to climate change

Medium- and Long-Term Environmental Conservation Targets and Results

In order to promote environmental management in light of various recent social developments, such as SDGs and the Paris Agreement, as a sustainable company, the Kubota Group has formulated an Environmental Vision that describes where the Group's target situation toward 2050 from the environmental perspective. Moreover, to promote systematic reduction of environmental impacts toward realizing this vision, we have been promoting activities globally by formulating our medium- and long-term targets. Toward achieving these targets, the Group is advancing systematic initiatives in both the production and product development stages.

Long-Term Environmental Conservation Targets 2030 and Results

Mitigating and Adapting to Climate Change

The shift to a decarbonized society has been accelerated, with each country declaring substantially zero emissions of CO_2 and carbon neutrality. In its Environmental Vision, the Kubota Group announced its commitment to take up the challenge of achieving carbon neutrality by 2050. Based on these global trends and the image for the company expected by society in the future, in our Long-Term Environmental Conservation Targets 2030, in 2022 we expanded the boundary of our CO_2 reduction target from the Kubota Group in Japan to a global boundary, and revised our target upward. We will continue energy saving to reduce energy consumption at our sites, reduce CO_2 emissions through fuel conversion by adopting electric furnaces and so forth, and by expanding our use of renewable energies, we will promote initiatives to achieve carbon neutrality.

2030 Targets	**Reduce** CO_2 emissions from the Kubota Group* by **50%** compared to the base year FY2014.
Result	In FY2024, CO_2 emissions of the Kubota Group* were **reduced** by **31.7%** compared to the base year FY2014.

* CO_2 emissions refer to Scope 1 and 2 emissions from all Kubota Group sites (100%) and include greenhouse gases from non-energy sources

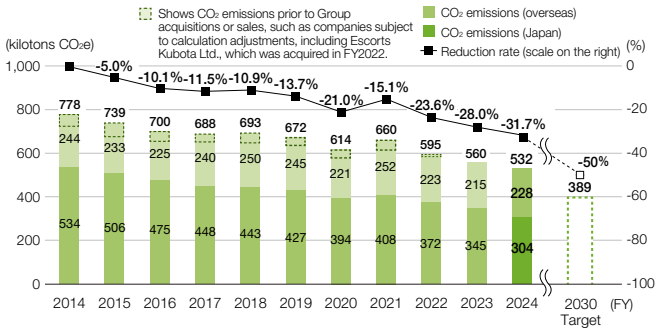
Efforts to Develop Environment-conscious Products

In FY2024, we designated 108 new Eco-Products.

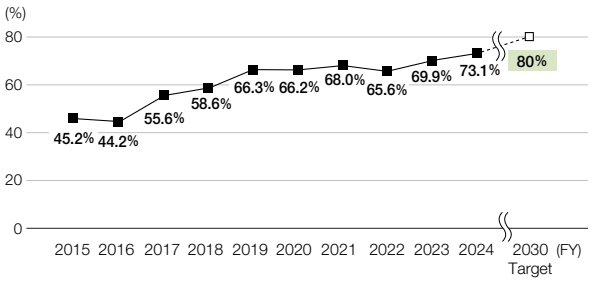
2030 Target	**Increase** the sales ratio of Eco-Products to **80%** by FY2030. Aim to put all new products that are certified as Eco-Products in the market in FY2030 and later.
Result	The sales ratio of Eco-Products was **73.1%** in FY2024.

● **Results for Long-Term Environmental Conservation Targets**

Kubota Group Scope 1 and 2 CO_2 Emissions*1



Sales Ratio of Eco-Products*2, 3



*1 CO_2 emissions of companies that have been acquired or sold that significantly impact overall Group emissions have been adjusted retroactively to before the acquisition or sale. Namely, Great Plains Manufacturing, Inc. (acquired in 2016), Escorts Kubota Ltd. (acquired in 2022), and P.T. Metec Semarang (sold in 2017). The CO_2 emissions before adjustments are 714 kilotons CO_2e in 2014, 674 kilotons CO_2e in 2015, 647 kilotons CO_2e in 2016, 645 kilotons CO_2e in 2017, 647 kilotons CO_2e in 2018, 630 kilotons CO_2e in 2019, 570 kilotons CO_2e in 2020, 613 kilotons CO_2e in 2021, and 585 kilotons CO_2e in 2022. Since FY2023 we had no acquisitions or sales subject to adjustments.
*2 The sales ratio of products that have fulfilled the internal requirements in our own Eco-Products Certification System.
Sales ratio of Eco-Products (%) = Sales of Eco-Products / Sales of products (excluding construction work, services, software, parts and accessories) × 100
*3 The net sales of products, which are the denominator, include net sales of the ceramic material TXAX.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

The FY2024 results of the environment-related information provided in the Kubota Group ESG Report 2025 have received the third-party assurance by SOCOTEC Certification Japan. The indicators subject to assurance are marked with the "🔍" symbols.

Medium-Term Environmental Conservation Targets and Results

Since FY2021 we have been undertaking initiatives with the aim of achieving our Medium-Term Environmental Conservation Targets 2025. And so that we can continuously make improvements, we have also established a set of targets for the year 2030 (see p.26.) We intend to systematically roll out initiatives aimed at achieving our targets, at our production sites and product development.

Reporting Boundary	Issue	Action item	Management indicator*3	Base FY	Target for FY2025*9	FY2024 Result
Global Production Sites	Mitigating and Adapting to Climate Change	Reduce CO_2*1	CO_2 emissions per unit of production (Scopes 1, 2)	2014	▲45%	▲46.1%
			Ratio of renewable energy usage*4	—	20% or more	13.2%
		Save energy	Energy consumption per unit of production	2014	▲35%	▲38.6%
	Working towards a Recycling-based Society	Reduce waste	Waste discharge per unit of production	2014	▲45%	▲53.7%
			Hazardous waste discharge per unit of production*5	2019	▲17%	▲21.8%
			Recycling ratio (Japan) *6	—	Maintain 99.5% or more	99.5%
			Recycling ratio (Overseas) *6	—	Maintain 90.0% or more	95.7%
	Conserving Water Resources	Conserve water resources	Water withdrawal per unit of production	2014	▲35%	▲40.4%
	Controlling Chemical Substances	Reduce VOCs*2	VOC emissions per unit of production	2014	▲42%	▲42.5%
Products	Improving Products' Environmental Performance	Expand Eco-Products	Sales ratio of Eco-Products*7	—	70% or more	73.1%
		Efficient resource use	Usage ratio of recycled materials*8	—	Maintain 70% or more	85.2%

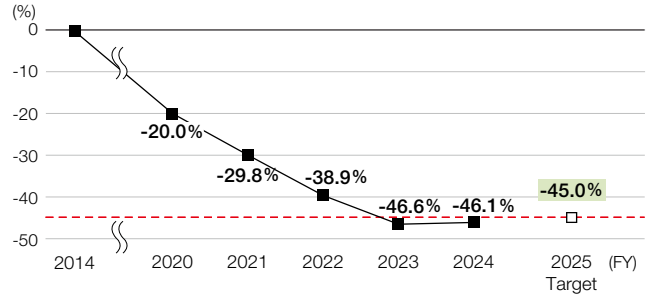
Reporting Boundary	Issue	Action item	Management indicator	Result of FY2024
Global Production Sites	Working towards a Recycling-based Society	Improve resource efficiency	• Reduce disposable plastics at business sites	See p.55
			• Work with suppliers to conserve packaging materials and make them returnable	
			• Implement paperless operation	
	Conserving Water Resources	Control wastewater	• Manage wastewater appropriately in accordance with the standards of the water discharge by operating wastewater treatment facilities and water recycling facilities, etc.	See p.57
	Conserving Biodiversity	Conserve biodiversity at business sites	• Promote the protection of the natural environment by greening our establishments and creating biotopes	See p.71
		Promote social contribution activities	• Promote conservation of the local natural environment and biodiversity as social contribution activities	See p.72
Products	Improving Products' Environmental Performance	Efficient resource use	• Display the material of new parts and provide material information*10	Currently in progress*12
		Develop vehicles compliant with exhaust gas regulations	• Development of industrial diesel engines that comply with the latest emissions regulations (Stage V), and launch onto the market of products with such engines*11 • Launch the vehicles that comply with the latest emissions regulations onto the market	See p.75

*1 CO_2 emissions indicate 90.6% of base-year Scope 1 and 2 emissions and include greenhouse gases from non-energy sources. We use the emissions coefficient for electric power of the base year in our calculation of CO_2 emissions from energy sources.
*2 VOCs (volatile organic compounds) refer to the substances that are most prevalent in the emissions of the Kubota Group. Up until 2022, there were six substances: xylene, toluene, ethylbenzene, styrene, 1, 2, 4-trimethylbenzene, and 1, 3, 5-trimethylbenzene. Since FY2023 there have been five substances: xylene, toluene, ethylbenzene, styrene, and trimethylbenzene.
*3 The figures per unit of production represent the intensity of the environmental load per unit of money amount of production. The exchange rate for FY2014 is used when translating the money amount of production of overseas sites into Japanese yen. Money amount of production is calculated as the total of the number of products either produced or shipped at each production site in each fiscal year, multiplied by the sales price.
*4 The applicable boundary is global sites.
*5 In Japan, specially controlled industrial waste as defined in the Waste Management and Public Cleaning Law; Overseas, waste that is defined as hazardous in each country or region.
*6 Recycling ratio (%) = (Sales amount of valuable resources + External recycling amount) / (Sales amount of valuable resources + External recycling amount + Landfill disposal) × 100. Heat recovery is included in the external recycling amount.
*7 The sales ratio of products that have fulfilled the internal requirements in our own Eco-Products Certification System
Sales ratio of Eco-Products (%) = Sales of Eco-Products / Sales of products (excluding construction work, services, software, parts and accessories) × 100
*8 Usage ratio of recycled materials (%) in the cast metal products and parts manufactured by the Kubota Group (ductile iron pipes, fittings, machine cast products (engine crankcase, etc.)).
*9 ▲ indicates a negative figure.
*10 In accordance with internal standards, we provide information on materials through material labeling and specification sheets for plastic components.
*11 Targeting tractors and combine harvesters (output range: 56 kW ≦ P < 560 kW) equipped with engines compliant with the European emissions regulations (Europe Stages IV and V) level, shipped to Europe, North America, Japan, and Korea.
*12 Our internal standards regarding the method of providing material information have been developed and are being put into operation.

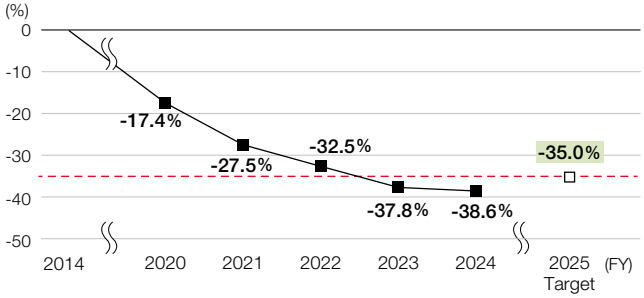
For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

● The Results for Medium-Term Environmental Conservation Targets for Global Production Sites

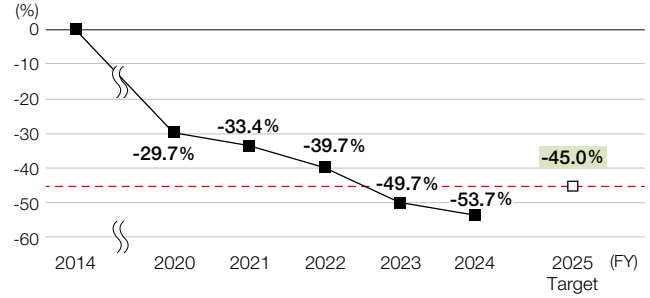
Trends in Reduction Ratio of CO_2 Emissions per Unit of Production*1



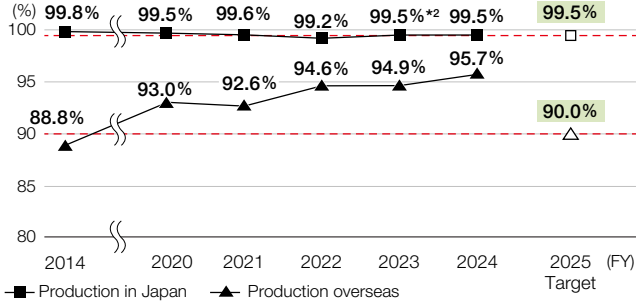
Trends in Reduction Ratio of Energy Use per Unit of Production*1



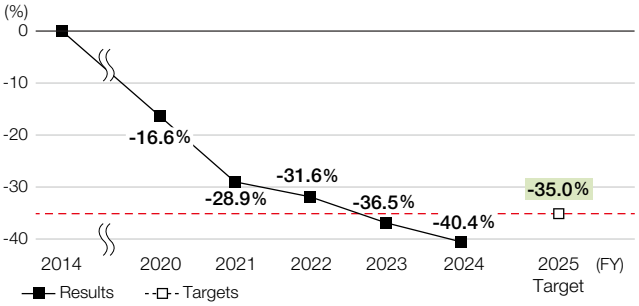
Trends in Reduction Ratio of Waste Discharge per Unit of Production*1



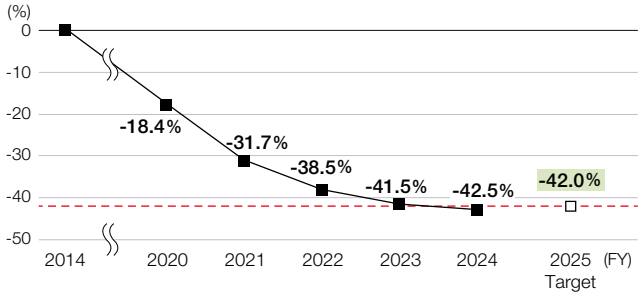
Trends in Recycling Ratio*1



Trends in Reduction Ratio of Water Withdrawal per Unit of Production*1



Trends in Reduction Ratio of VOC Emissions per Unit of Production*1,3



*1 The environmental impacts of companies that have been acquired or sold that significantly affect the Group's overall environmental impacts have been retroactively adjusted to before the acquisition or sale. The companies subject to calculation adjustments are Great Plains Manufacturing, Inc. and Escorts Kubota Ltd., which were made Group companies in 2016 and 2022, respectively, and P.T. METEC SEMARANG, which was spun off in 2017. Since FY2023 we have no acquisitions or sales subject to adjustments.
*2 The result of FY2023 has been revised to improve accuracy.
*3 The results from FY2020 through FY2023 have been revised to improve accuracy.

Next Medium- and Long-Term Environmental Conservation Targets

The environmental conservation targets that guide the Group's current efforts to reduce environmental impacts take 2025 as our target year. Toward achieving the target state for 2050 set out in our Environmental Vision, we have revised our 2030 targets upward, and set a new long-term CO_2 reduction target for 2040. For the 2030 CO_2 reduction target based on 2023, we will take action to reduce emissions by 4.2% or more per year, which is necessary to keep temperature rise within 1.5°C, as called for by SBTi.

Reporting Boundary	Issue	Action item	Management indicator	Base FY	Target for FY2030		Target for FY2040	
Global Production Sites	Mitigating and Adapting to Climate Change	Reduce CO_2	CO_2 emissions	2014	▲50%		▲75%	(New)
				2023	▲30%		—	
			CO_2 emissions per unit of production (Scopes 1, 2)	2014	▲60%		—	
			Ratio of renewable energy usage	—	60% or more		—	
		Save energy	Energy consumption per unit of production	2014	▲45%	(Updated)	—	
	Working towards a Recycling-based Society	Reduce waste	Waste discharge per unit of production	2014	▲60%	(Updated)	—	
			Hazardous waste discharge per unit of production	2019	▲35%	(New)	—	
			Recycling ratio	—	96% or more	(New)	—	
	Conserving Water Resources	Conserve water resources	Water withdrawal per unit of production	2014	▲45%	(Updated)	—	
	Controlling Chemical Substances	Reduce VOCs	VOC emissions per unit of production	2014	▲42%	(New)	—	
Products	Improving Products' Environmental Performance	Expand Eco-Products	Sales ratio of Eco-Products	—	80%		—	

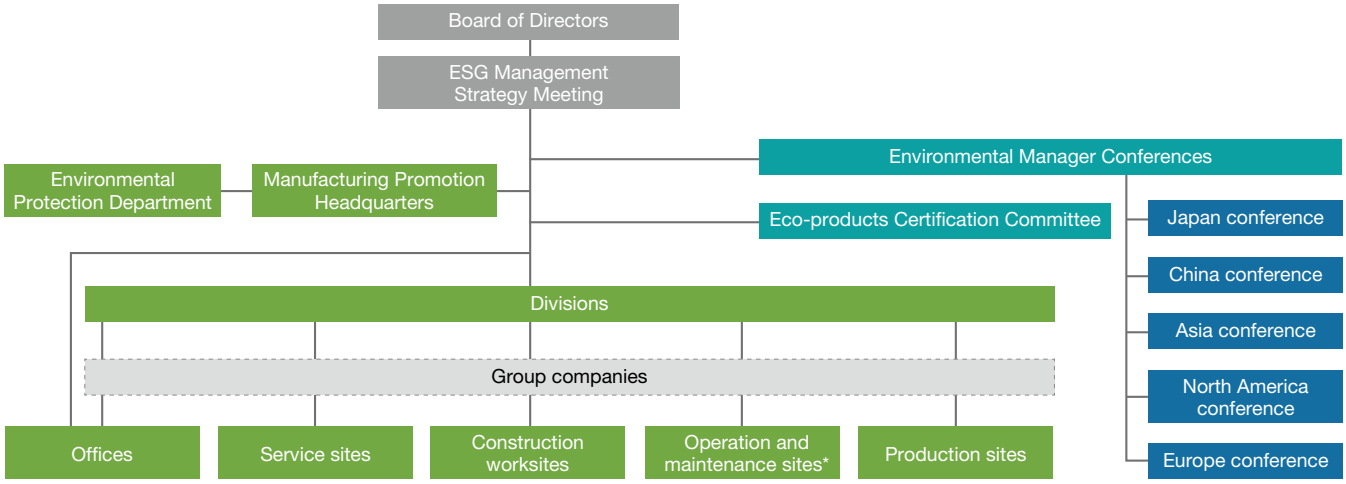
Environmental Management Promotion System

As a consequence of economic development, numerous environmental problems are occurring all around us, for example, climate change, water risks, and marine plastic waste. As initiatives for transitioning to a decarbonized society and a circular economy gain momentum around the world, corporations are expected to do their part in helping to solve such environmental issues.

While anticipating changes in society, corporations must formulate strategies for determining the course of action for environmental management so that targets can be achieved. The implementation of a PDCA cycle on a global scale is also essential. Going forward, the Kubota Group will continue to strengthen the framework that underpins our environmental management of contributing to the development of society and conservation of the global environment.

Organization Structure

In 2014, the Environmental Management Strategy Committee was established to take a more strategic and innovative approach to environmental management by management-led promotion. In 2021, the ESG Management Strategy Meeting was launched to strengthen management strategies from an ESG perspective, including environmental considerations. In addition, Environmental Manager Conferences are held for each region—Japan, China, Asia, North America and Europe—to globally advance environmental management across the Kubota Group.



* Sites engaged in the business of operation or maintenance of environmental plants

ESG Management Strategy Meeting

The ESG Management Strategy Meeting provides opportunities for management to discuss the Kubota Group's issues and response strategies from an ESG perspective. The discussions cover the medium- and long-term direction of the Kubota Group's environmental management, such as medium- and long-term targets and key measures in light of global environmental issues such as climate change and the business environment, and the meeting determines priority items and plans. Environmental issues were discussed on three occasions in 2024 at meetings in February, May and November.

The results of the committee meetings are reported to the Board of Directors and the Executive Officers' Meeting, and are distributed throughout the Group. 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 effective environmental management led by members at the management level.

ESG Management Strategy Meeting

Please refer to page 160 (Corporate Governance) for the ESG Management Strategy Meeting

Environmental Manager Conferences

The Kubota Group holds Environmental Manager Conferences aimed at strengthening the environment management system and reducing environmental loads and environmental risks on a global basis.

To realize the Environmental Vision, it will become necessary to accelerate the further reduction of environmental impacts globally. Moreover, as production has increased in overseas areas, it is necessary to thoroughly implement environmental risk reduction measures. We revised the method of holding the conferences, which were held every second year up until 2019, making use of the online format to stimulate sharing of information such as policies and sharing of examples within regions. In FY2024 we held joint conferences for the Japan, China and Asian regions and the same for the North American and European regions in an effort to promote exchanges between regions. For the conferences, local company presidents, environmental managers, and staff members were brought together from the overseas sites, as well as environmental managers and staff members from 26 sites across Japan, including Group companies. The focus of the conferences was on communicating the Kubota Group's policies and initiatives, as well as sharing progress on the Medium- and Long-Term Environmental Conservation Targets. Participants also presented case studies on mainly energy-saving measures and environment risk countermeasures. This provided an excellent opportunity for participants from different regions to learn about each other's initiatives for environmental conservation, and led to a lively question and answer session.

As for conferences held in overseas regions, since 2017 the Kubota Group has been building a framework to enable local business sites to host their own conferences in order to efficiently promote governance, strengthen collaboration, and raise the level of activities within their own region. A conference of five companies in Thailand was launched in December 2017, another with three companies in China's Jiangsu Province in December 2018, and another with six companies in North America in August 2019. Each of these conferences is addressing regional-specific topics by setting targets, regularly inspecting each other's plants, strengthening legal and regulatory compliance, and sharing good practices.

The Group will continue to work diligently to further raise its level of environmental conservation activities across the entire Group by drawing on the contributions of the Environmental Manager Conferences.

Joint North America-Europe conference (held online)

Joint Japan-China-Asia conference (held online)

Please refer to page 77 (Environmental Management) for information about business operations based on our environmental management system.

Mitigating and Adapting to Climate Change

The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) states that "it is unequivocal that human influence has warmed the atmosphere, ocean and land." In recent years, various climate disasters have occurred around the world, including heat waves, forest fires, torrential rains, and floods. With countries declaring their intentions to achieve net-zero CO_2 emissions and carbon neutrality, the movement driving society's transition to a decarbonized society is gaining momentum, which certainly indicates that the initiatives of individual companies to reduce greenhouse gases are growing increasingly important.

The Kubota Group sees "Mitigating and Adapting to Climate Change" as one of its materiality and is committed to contributing to the achievement of carbon neutrality by 2050. It has been advancing initiatives toward the "mitigation" of climate change by reducing greenhouse gas emissions mainly through energy-saving activities and the introduction of renewable energy sources and "adaptation" to be prepared for the impact of climate change.

Mitigation of Climate Change

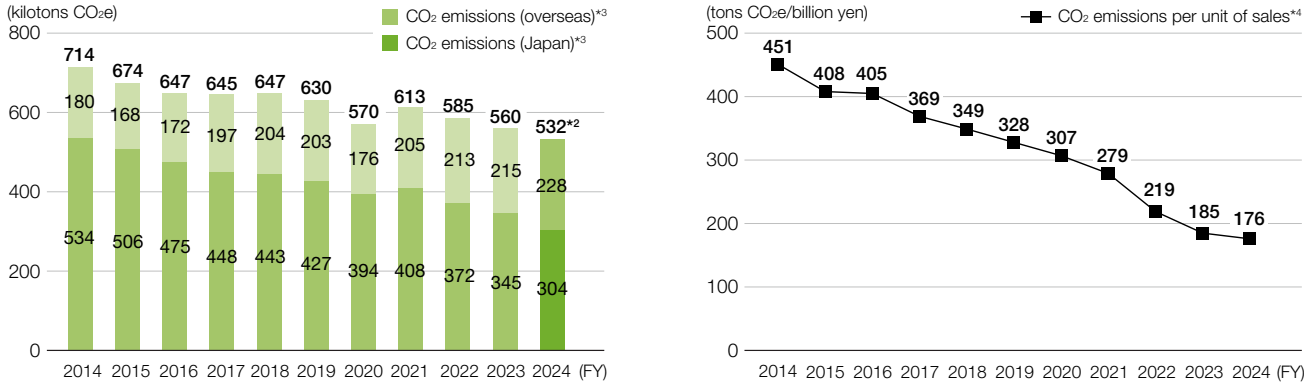
CO_2 Emissions (Scope 1 and Scope 2)

In FY2024, CO_2 emissions were 532 kilotons CO_2e, a decrease of 5.1% compared to the previous year. However, CO_2 emissions per unit of sales improved by 5.0% compared to the previous year.

CO_2 emissions decreased due to the impact of lower production and the implementation of reduction measures.

Emissions per unit of sales improved by promoting CO_2 reduction measures such as replacing cupola furnaces with electric furnaces, expanding the use of renewable energy, promoting energy conservation activities, and installing high-efficiency equipment.

Trends in CO_2 Emissions*1 and Emissions per Unit of Sales



*1 The CO_2 emissions for companies acquired or sold that have a significant impact on the Group's overall CO_2 emissions have been retroactively adjusted to before the acquisition or sale. The adjusted values are: 778 kilotons CO_2e in FY2014, 739 kilotons CO_2e in FY2015, 700 kilotons CO_2e in FY2016, 688 kilotons CO_2e in FY2017, 693 kilotons CO_2e in FY2018, 672 kilotons CO_2e in FY2019, 614 kilotons CO_2e in FY2020, 660 kilotons CO_2e in FY2021, and 595 kilotons CO_2e in FY2022. Since FY2023 we have had no acquisitions or sales subject to adjustments.
*2 CO_2 emissions (532 kilotons CO_2e) include portions of CO_2 that were not released into the atmosphere but absorbed as carbon into products such as iron pipe (7 kilotons CO_2e).
*3 CO_2 emissions refer to Scope 1 and 2 emissions from all Kubota Group sites (100%) and include greenhouse gases from non-energy sources.
*4 CO_2 emissions per unit of consolidated net sales. The Kubota Group adopted International Financial Reporting Standards (IFRS) instead of accounting principles generally accepted in the United States of America from FY2018.

Measures to Reduce CO_2 Emissions

The Kubota Group has established the Medium- and Long-Term Environmental Conservation Targets (p.24-26) and is devoting efforts to reducing CO_2 emissions and energy use associated with its business activities.

We have also established medium-term reduction measure implementation plans, which are reviewed every year by each production site. When we review the plans, we have introduced Internal Carbon Pricing* to calculate their effect on reducing CO_2 emissions and energy consumption, as well as the investment cost for the amount of CO_2 reduced, in the capital expenditure plans. The effectiveness and economical rationality of each project are identified from an environmental standpoint and used as information for making investment decisions.

Kubota's Policies for Curbing Greenhouse Gas Emissions
- Increase energy usage efficiency and reduce waste and loss
- Promote electrification and fuel conversion
- Expand use of renewable energy

We have implemented some of the specific reduction measures that include a switch to equipment with higher-energy efficiency, eliminating loss in energy consumption through proper operation management, and promoting the visualization of power consumption in each process. At the same time, we have expanded the use of LED lighting at all our global sites—as of end-FY2024 the ratio of LEDs as a percentage of all lights at production sites had increased to 92.4%. In FY2024, we held seven meetings for promoting energy conservation at production sites, where we considered effective countermeasures and shared information. Accordingly, we promoted company-wide air-conditioner energy-saving measures and reduction of standby power consumption by equipment.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

We are also accelerating the introduction of renewable energy. In FY2024, solar power generation systems were expanded or newly installed at the Kubota Sakai Rinkai Plant (Japan), Siam Kubota Corporation Co., Ltd. (Thailand), Siam Kubota Metal Technology Co., Ltd. (Thailand), Kubota Precision Machinery (Thailand) Co., Ltd., Kverneland Group Ravenna S.r.l. (Italy), and elsewhere. This brought the renewable energy consumption of the entire Group to 108,059 MWh (roughly equivalent to a 45,790-ton reduction in CO_2 emissions). The renewable energy usage ratio in 2024 was 13.2%, versus the 2025 target of 20%. We offset 1,067 tons of CO_2 emissions resulting from natural gas usage at a European site in 2024.

As a result of the efforts toward achieving the Medium-Term Environmental Conservation Targets 2025 for CO_2 reduction, global production sites achieved a reduction of 24.8 kilotons CO_2e in FY2024 compared with the case where countermeasures were not implemented from the previous year. The economic effects of these measures reached 990 million yen compared to the previous year. CO_2 emissions per unit of production in FY2024 improved by 46.1% compared to the base year (FY2014).

Solar panels capable of generating 1,566 kW of power installed at the Kubota Global Institute of Technology (Japan)

We will continue to implement measures to save energy on production equipment and air-conditioning/lighting, as well as promote measures to reduce waste and loss in the use of energy based on the concept of the Kubota Production System (KPS) and expand the use of renewable energy.

* Refers to the placing of an internal monetary value on carbon by an organization

Practice Report

Upgrading Production Lines and Installing Electric Furnaces with a View to Decarbonization

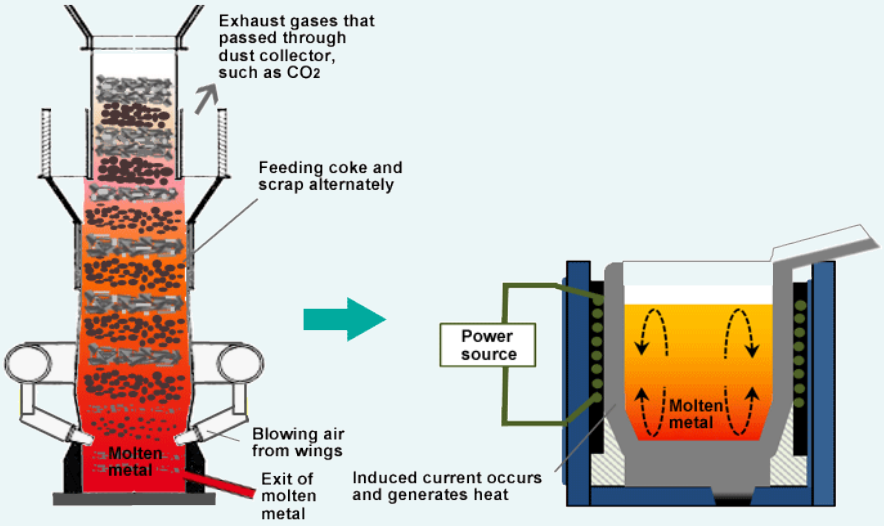
At the Kubota Hanshin Plant (Japan), the feedstock melting equipment used to manufacture cast iron pipes for water supply systems and other applications was renovated at the end of 2023. Previously, the plant used a cupola melting furnace that requires coal-derived coke as a fuel source, one of the major sources of CO_2 emissions. Having replaced the cupola furnace with electric furnaces, we are now aiming to decarbonize the plant's operations. The introduction of electric furnaces is expected to reduce the plant's CO_2 emissions by around 15,000 tons annually.

One advantage of the cupola furnace is that it can continuously melt large volumes of metal into liquid. On the other hand, the disadvantages include an extremely complex furnace operation method that requires expertise, the need for large equipment such as a heat exchanger and dust collector, considerable upfront costs, and a negative environmental impact from significant volumes of dust waste and CO_2 emissions.

The newly installed electric furnaces are high-frequency induction crucible furnaces used for melting cast iron. When an alternating current flows through a coil, it creates a magnetic field inside the crucible and the current runs through the metal as a result of electromagnetic induction. The metal then heats up because of electrical resistance in the metal itself.

A familiar example of this process would be induction cooktops, which make use of the same principle to heat up metal pots and pans by way of electromagnetic induction. Industrial electric furnaces leverage this same principle, but on a much larger and sturdier scale. The furnaces installed at the Hanshin Plant have a rated melting capacity of 15 tons for cast iron and a rated temperature of 1,500°C. Compared to the cupola, an electric furnace is best suited to small-lot, high-mix production, and offers such advantages as low running costs and minimal energy consumption.

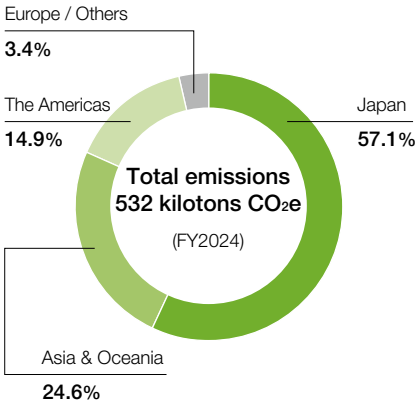
In our Environmental Vision we have outlined our contribution to work towards achieving carbon neutrality by 2050, which is why we are focusing on reducing CO_2 emissions at the production stage. The shift away from cupola to electric is one part of this initiative.



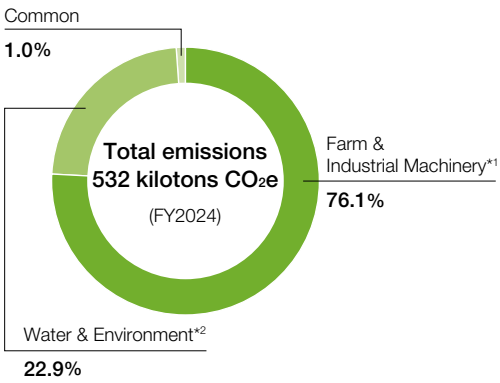
Structure of cupola

Structure of induction crucible furnace

CO_2 Emissions by Region

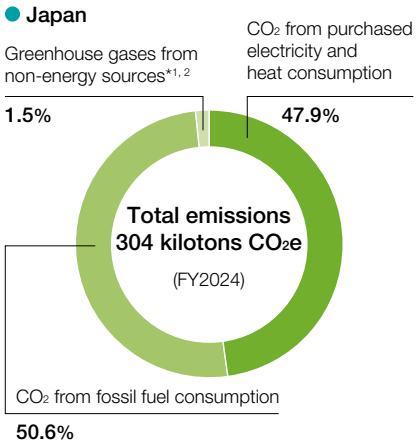


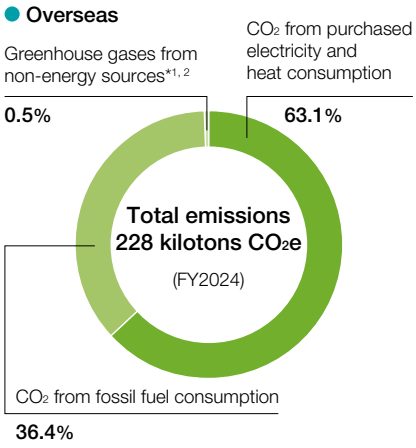
CO_2 Emissions by Business



*1 CO_2 emissions generated from the production of products such as agricultural machinery, construction machinery, and engines.
*2 CO_2 emissions generated from the production of products such as ductile iron pipes and cast steel.

CO_2 Emissions by Emission Source

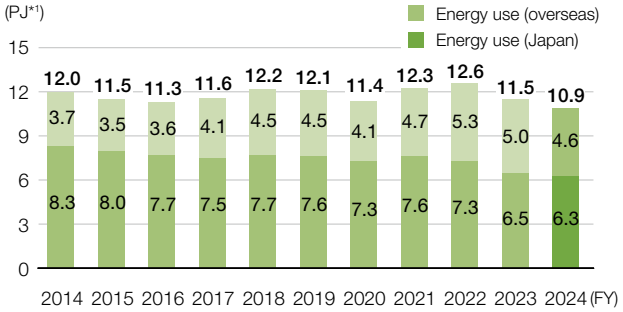


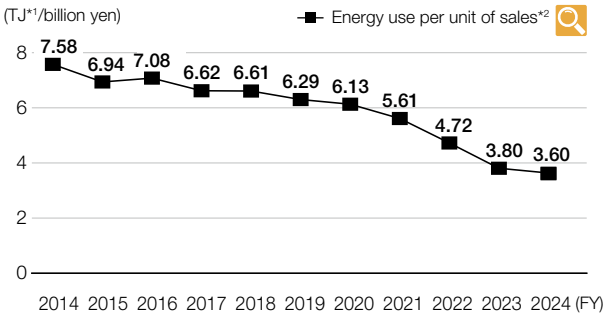


*1 Greenhouse gases from non-energy sources include the following: CO_2 3.7 kilotons CO_2e, CH_4 0.8 kilotons CO_2e, N_2O 0.5 kilotons CO_2e, HFC 0.3 kilotons CO_2e, PFC 0 kilotons CO_2e, SF_6 0.5 kilotons CO_2e, and NF_3 0 kilotons CO_2e
*2 Emissions of greenhouse gases from non-energy sources include estimates in some of the data used for calculation.

CO_2 emission amounts at each production site Click

Trends in Energy Use at Business Sites and Energy Use per Unit of Sales





*1 PJ = 10^{15}J, TJ = 10^{12}J
*2 Energy use per unit of consolidated net sales. The Kubota Group adopted International Financial Reporting Standards (IFRS) instead of accounting principles generally accepted in the United States of America from FY2018.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

CO_2 Emissions throughout the Value Chain

The Kubota Group makes concerted efforts to figure out CO_2 emissions throughout the value chain in addition to its business sites. Following guidelines*, we calculate Scope 3 CO_2 emissions, and continue to expand the categories in the scope of its calculation of CO_2 emissions.

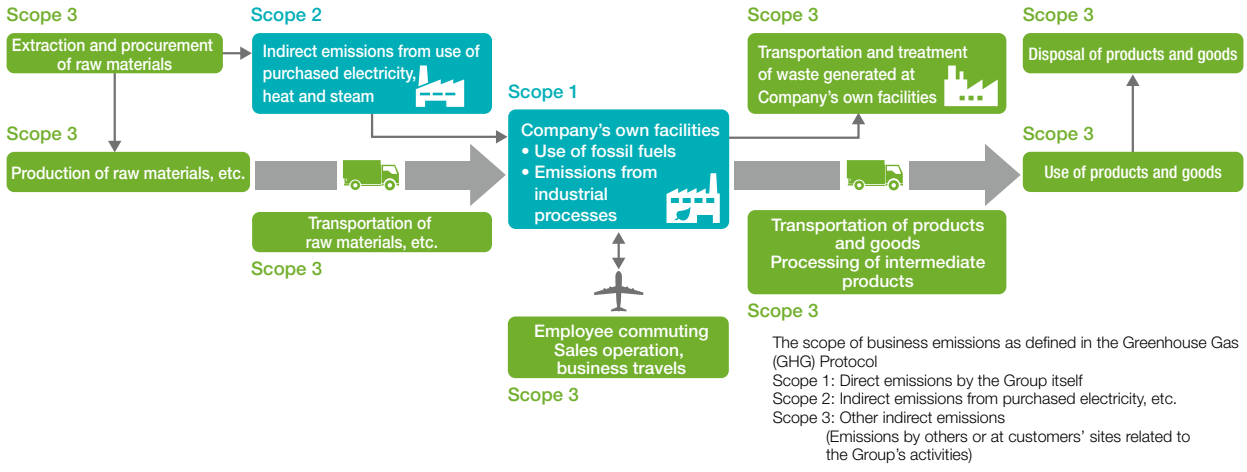
* Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain issued by the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry

CO_2 Emissions in Each Stage of Value Chain

Classification				Scope of calculation	CO_2 emissions (kilotons CO_2e)*2		
					2022	2023	2024
Emissions of the Kubota Group's business sites	Direct emissions (Scope 1)*1			Use of fossil fuels	295	277	237
				Non-energy-derived greenhouse gas emissions	7	7	6
	Indirect emissions (Scope 2)*1			Purchased electricity and heat use	283	276	289
Upstream and downstream emissions	Other indirect emissions (Scope 3)	Category	1	Resource extraction, manufacturing and transportation related to purchased goods/services	4,104	4,191	3,891
			2	Manufacturing and transportation of capital goods such as purchased equipment	567	492	721
			3	Resource extraction, manufacturing and transportation related to purchased fuels/energy	111	108	98
			4	Upstream transportation and distribution	282	246	197
			5	Disposal of wastes discharged from business sites	31	28	27
			6	Employee business travels	19	28	29
			7	Employee commuting	10	17	18
			8	Operation of assets leased to the Kubota Group	0*3	0*3	0*3
			9	Downstream transportation and distribution	0	0	0
			10	Processing of intermediate products	346	338	289
			11	Use of sold products	36,951	36,787	35,083
			12	End-of-life treatment of sold products	68	69	65
			13	Operation of assets leased to other entities	0*3	0*3	0*3
			14	Operation of franchises	0*3	0*3	0*3
			15	Investments	0*3	0*3	0*3
		Total of Scope 3			42,489	42,306	40,419
Total of Scopes 1, 2, and 3					43,074	42,866	40,950

*1 CO_2 emissions refers to emissions from all Kubota Group sites (100%).
*2 Totals shown may differ from the simple sum of values shown due to rounding.
*3 CO_2 emissions are indicated as zero (0) because there are no applicable activities or the impact is extremely low.

Example Activities of Each Scope



For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

Adaptation to Climate Change

Measures to Adapt to Climate Change

It is likely that the progression of climate change will have a negative impact on our lives. For example, the frequent occurrence of weather disasters, changes in agricultural practices, and an increase in the number of heat stroke cases. Our response to climate change needs to include ongoing measures aimed at reducing greenhouse gas emissions, as well as policies for avoiding or reducing damage brought on by climate change.

As part of its strategy to adapt to climate change, the Kubota Group is implementing a number of initiatives at its business sites and in its products and services.

● Initiatives on Products and Services

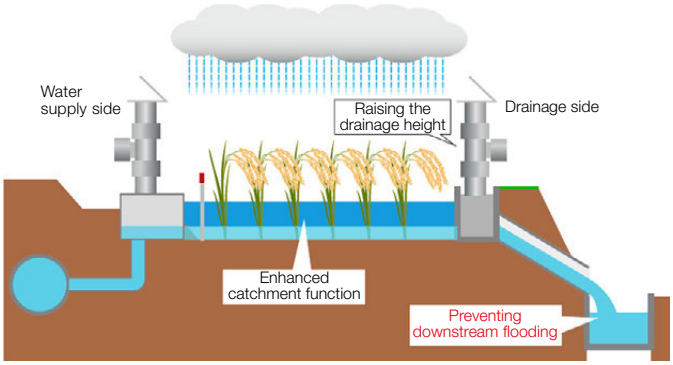
Category		Major initiatives
Food		• Provision of tractors that are capable of deep plowing necessary for growing rice in abnormally high temperatures without lowering the quality/yield, and the provision of information useful for soil cultivation, such as the proper distribution of fertilizers appropriate for high-temperature conditions • Provision of the Kubota Smart Agri System (KSAS), which uses ICT and robot technology, and high-performance machinery that lightens the workload in fields such as agriculture, where workers often labor in scorching heat • Provision of information for farmers on changes in temperature, precipitation, and the amount of solar radiation, as well as the impact thereof on crops
Water	Flooding	• As a measure for floods or other disasters caused by abnormal climate, provision of disaster-relief pumper vehicles, ultra-light, emergency sump pump units, rainwater storage and filtration products, and piping systems for manhole toilets, and so on • Provision of ductile iron pipes with tough tube body and excellent joint performance, which are highly effective during disasters such as typhoons and torrential rainfall
	Drought	• To address water shortage, the provision of management systems using IoT, which contribute to the efficient operation of water supply and sewage treatment systems and treatment plants • Provision of tank-submerged-type ceramic membrane filtering equipment and submerged membranes that purify wastewater for reuse
	Management systems	• Provision of the Kubota Smart Infrastructure System (KSIS) that leverages IoT technology to manage a variety of facilities such as drainage locations using weather information in collaboration with the NTT Group • Provision of the farm water management system (WATARAS) that allows accurate water management for remote rice paddies
Living environment		• Provision of diesel engines for use as generators for emergency power supply during disasters and power outages • Provision of construction machinery to contribute to disaster prevention, as well as recovery and reconstruction • Provision of highly efficient air-conditioning equipment that creates a clean and comfortable indoor environment, even amid abnormal weather conditions

Provision of Farm Water Management System WATARAS

WATARAS is a farm water management system that allows users to remotely and automatically control water flowing in and out of rice paddies while monitoring water levels on a smartphone or PC.

So-called “smart rice paddy dam” demonstrations are underway in which rice paddies are temporarily filled with rainwater by using the KSIS to centrally operate the WATARAS in order to drain the paddies before raising their drainage level settings when rivers are expected to flood during heavy rainfall. These “rice paddy dams” have the potential to help prevent flooding.

WATARAS (only in Japanese) Click



Overview of WATARAS-managed “smart rice paddy dam”

● Initiatives taken at Business Sites

Typhoons and pouring rain can affect production equipment and distribution. We have formulated BCP measures and disaster response manuals and we continue to take steps to prevent any holdups or delays in business activity even during weather disasters. Alongside seismic retrofitting, our BCP response includes the planning of measures for minimizing the impact of torrential downpours on buildings and the protection of power supply equipment from flooding. To be prepared for high tides and torrential rain, the sites have also installed sump pumps, hold emergency drills, and are equipped with water tanks and emergency wells for use during water shortages.


At Kubota Agricultural Machinery (Suzhou) Co., Ltd. (China), storage batteries were installed to prepare for summertime electricity shortages

Disclosure in Accordance with the TCFD Recommendations

The Kubota Group expressed its support for the TCFD* recommendations in January 2020.

* The Task Force on Climate-related Financial Disclosures established by the Financial Stability Board (FSB).

TCFD Recommendations

The various risks and opportunities arising from climate change could have a significant impact on companies' financial statuses. The TCFD recommendations released in 2017 present a framework for corporations to disclose climate-related information to the financial markets. They recommend disclosure of information about the status of the company's response to climate change, which could have a damaging effect on stabilization of financial systems, and about the impact on business and so forth. The recommendations call for companies to autonomously ascertain and disclose information related to Governance, Strategy, Risk Management, and Metrics and Targets, such as the financial impact of risks and opportunities engendered by climate change and the status of the company's response. Also, the TCFD recommendations were partially revised in October 2021 to the effect that companies committed to reducing greenhouse gas emissions are now required to explain their plans for transitioning to a low-carbon economy. The Kubota Group will continue to examine how we can tackle climate change and make every effort to expand the information it discloses.

The status of the Group's disclosures related to the TCFD recommendations is as follows.

Disclosure Items in the TCFD Recommendations	Relevant Section (excluding TCFD disclosures)	Page
Governance		
a. Describe the board's oversight of climate-related risks and opportunities.	Environmental Management Promotion System, Corporate Governance System	P27 P160
b. Describe management's role in assessing and managing risks and opportunities.	Environmental Management Promotion System, Remuneration plan overview	P27 P166
Strategy		
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Environmental Management Approach —Materiality in Environmental Management, Environmental Management Approach —Risks and Opportunities	P18 P19
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Environmental Management Approach —Risks and Opportunities, Environmental Management Approach —Key Measures	P19 P20
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Environmental Vision, Mitigating and Adapting to Climate Change, Expanding Environment-conscious Products and Services	P21 P29 P73
Risk Management		
a. Describe the organization's processes for identifying and assessing climate-related risks.	Environmental Management Approach —Materiality in Environmental Management	P18
b. Describe the organization's processes for managing climate-related risks.	Environmental Management Approach —Materiality in Environmental Management, Environmental Management Promotion System, Expanding Environment-conscious Products and Services, Internal Control System, Internal Control System—Internal Control System Operation Activities (Risk Management Activities)	P18 P27 P73 P177 P178
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Environmental Management Promotion System, Corporate Governance System, Internal Control System	P27 P160 P177
Metrics and Targets		
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Medium- and Long-Term Environmental Conservation Targets and Results, Mitigating and Adapting to Climate Change —Measures to Reduce CO_2 Emissions, Remuneration plan overview	P24 P29 P166
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Mitigating and Adapting to Climate Change —CO_2 Emissions throughout the Value Chain, Environmental Data	P32 P86
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Medium- and Long-Term Environmental Conservation Targets and Results	P24

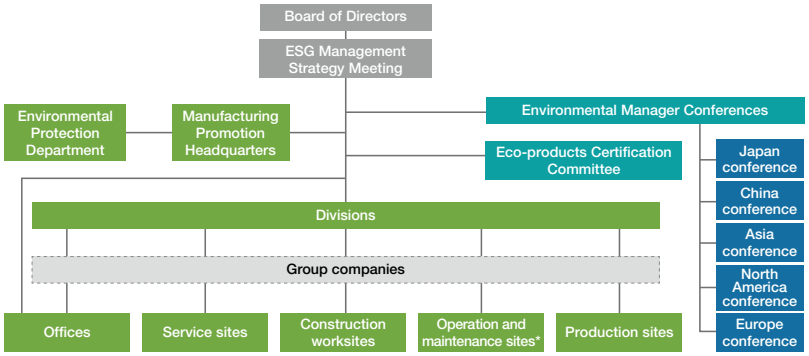
Disclosure in Accordance with the TCFD Recommendations

Governance

Environmental Management Promotion System

In 2014 the Kubota Group established the Environmental Management Strategy Committee to deliberate on medium- and long-term targets and key measures relating to environmental conservation, as well as an environmental vision, in light of climate change and other global environmental problems and the Group's business environment. In 2021, with the objective of realizing our own ESG management, that committee was reorganized as the ESG Management Strategy Meeting to engage in discussion of ESG-related issues on a Group-wide basis. In addition, Environmental Manager Conferences are held in each of five regions—Japan, China, Asia, North America, and Europe—to promote environmental management of the entire Group globally.

Environmental Management Promotion System



* Sites engaged in the business of operation or maintenance of environmental plants

ESG Management Strategy Meeting

The ESG Management Strategy Meeting is chaired by the president & representative director and attended by inside executive directors, directors in charge of business divisions, the director in charge of finance, the director in charge of human resources, the director in charge of R&D, the director in charge of manufacturing, the director in charge of environmental management, and the general manager of the Corporate Control Department. The meeting participants discuss the medium- and long-term direction of environmental management in light of global environmental issues such as climate change and the business environment. They also decide on plans for key initiatives aimed at reducing environmental impacts and risks, and enhancing the lineup of environment-conscious products. The results of the meetings are reported to the Board of Directors and the Executive Officers' Meeting, and are distributed throughout the Group. 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. The ESG Management Strategy Meeting was convened three times in FY2024 to discuss environmental issues.

At the Environmental Manager Conferences, every year, in all regions, the Kubota Group policy and promotion items are communicated and the status of progress on medium-term environmental conservation targets is shared, along with case studies of energy-conservation measures, environmental risk countermeasures, and so forth. The conferences discuss matters such as how to solve issues related to environmental conservation activities in each region.

Moreover, the Group has set out environmental conservation targets taking medium-term (five-year activity period) and long-term (15-year activity period) perspectives, based on social trends and regulations in each country related to the environmental issues. The medium-term environmental conservation targets are revised every five years, or whenever necessary depending on the progress in achieving them. Medium-term environmental conservation plans are made individually by each site for global production sites. The Environmental Protection Department checks the status of progress on targets twice a year. In the same way, medium- to long-term targets for the sales ratio of products certified as Eco-Products are set and the department checks the status of progress once a year. The details and progress of the plans are also reported to the Executive Officers' Meeting.

Supervision by Directors and Executive Officers

Under its Environmental Action Guidelines, the Company has established voluntary, specific targets and action plans that are incorporated into our daily business operations. To provide environmental performance indicators, we have established the Medium- and Long-Term Environmental Conservation Targets. To achieve those targets that apply to our production sites, we formulate and revise action plans twice a year at each production site. Progress on environmental performance is reported at the ESG Management Strategy Meeting and the Executive Officers' Meeting. We monitor the environmental policies determined by the Kubota Group and various aspects of our environmental performance through measures such as checks on implementation undertaken by directors and executive officers.

Reflecting the Performance of Climate Change Measures into Executive Compensation

From 2022, the Kubota Group revised the executive compensation system to encourage the achievement of performance targets related to business scale and profitability, as well as to accelerate efforts in ESG management. Twenty percent (20%) of the annual bonus awarded to executives is evaluated with ESG indicators, with climate change measures incorporated into a part of those indicators. Progress is evaluated based on the indicators alongside other metrics.

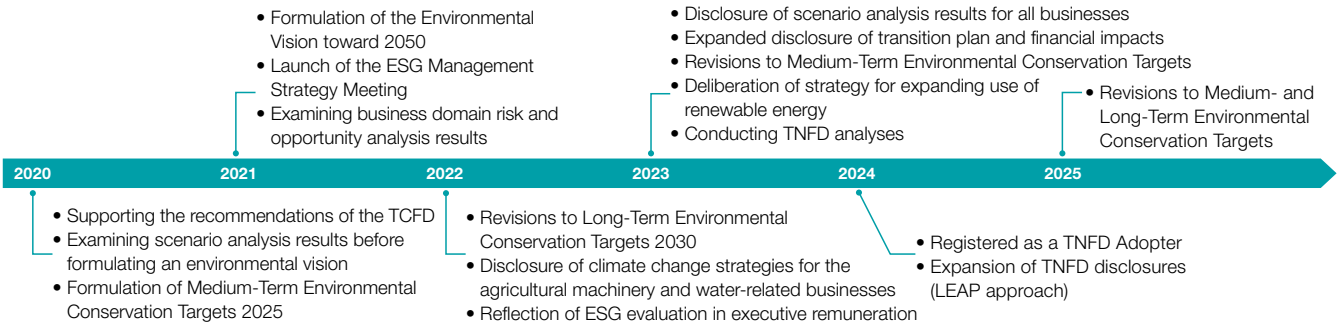
External Climate-related Activities

Based on the Kubota Group's environmental charter, we aim to help bring about a society capable of sustainable development on a global scale. We have also declared our commitment to contributing to the conservation of the global and local environment through environment-conscious products, technologies, services, and corporate activities. As such, when we consider participating in external activities, we make sure that the environmental conservation activities, including measures promoted by the Kubota Group to tackle climate change, are consistent with our environmental charter. The decision to participate in the activities of other organizations is made after confirming that nothing contradicts with past internal decisions, our environmental charter and action guidelines, and policies and the like formulated by the ESG Management Strategy Meeting. If there are conflicts with an organization's ideas or policies, we may decide to withdraw our participation. Also, the environmental conservation activities carried out independently by each global site are reviewed once a year to make sure that they align with the Kubota Group's business policies and environmental conservation activity policies.

Disclosure in Accordance with the TCFD Recommendations

Timeline of Climate Change Action

Since announcing our support of the TCFD recommendations, we have discussed the items in the diagram below related to tackling climate change within the framework of our corporate governance structure. We will continue to ramp up our climate change initiatives as we push ahead with environmental management on a global scale.



Related pages “Environmental Management Promotion System” (p.27), “Remuneration plan overview” (p.166), “Corporate Governance System” (p.160)

Strategy

The Group has formulated an Environmental Vision, which presents the direction for its business activities from an environmental perspective towards 2050, having made an analysis of future society based on the scenarios for 1.5°C/2°C and 4°C temperature rises by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and others. The Environmental Vision represents our commitment to help solve various social issues in the fields of food, water, and the environment through the provision of environment-conscious products and solutions and reduction of CO_2 emissions at our sites, and to help bring about a carbon-neutral and resilient society. In order to achieve the Environmental Vision, we need to consider how our business activities are impacted by regulatory developments, technological advancements, and changes in the market. We also need to focus on the physical changes brought on by the acceleration of climate change. That is why we analyzed and evaluated the impacts of climate change on our business domains in light of the anticipated future changes in the market and business environment with the use of 1.5°C/2°C and 4°C scenarios.

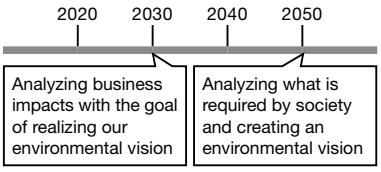
Going forward, we will continue to analyze climate change risks and opportunities under each scenario, examine methods for evaluating the foreseeable impacts on business activities as well as the financial impacts of climate change, and strive to provide even greater information disclosure to the public.

Scenario Analysis Process

Step 1: Selecting target business fields and climate scenario

For the Environmental Vision we formulated in 2021, we projected what society might look like in 2050 and set goals for contributing to the realization of carbon neutrality within that timeframe. Moreover, in order to construct an image of the environmental businesses thought to be necessary in the future, we conducted an analysis of anticipated business lines in the year 2030. The Kubota Group operates businesses in the areas of food, water, and the environment. Of those three fields, in 2021 we analyzed our business operations in food (agricultural machinery) and water, the two fields we expect will be impacted significantly by climate change from both a financial and non-financial point of view. In 2022 we expanded our analyses to include all of our business fields.

Scenario Analysis Time Horizon



To assess the impacts on our businesses in the year 2030, we selected the 1.5°C/2°C and 4°C scenarios in light of the available scientific evidence.

Item	Assumptions
Target businesses	All businesses (Farm & Industrial machinery and Water & Environment)
Time horizon	Analyzing impacts on business in 2030 considering the anticipated changes in around 2050 as a result of climate change

Setting scenario		Reference scenario
Transition aspect	1.5°C/2°C scenario	The IEA’s Net Zero Emissions by 2050 Scenario (NZE 2050)*1, Sustainable Development Scenario (SDS)*1, 2, and the FAO’s Towards Sustainability Scenario (TSS)*3
	4°C scenario	The IEA’s Stated Policies Scenario (STEPS)*1, 2 The FAO’s Business-as-usual Scenario (BAU)*3
Physical aspect	1.5°C/2°C and 4°C scenarios	IPCC's Shared Socio-economic Pathway (SSP) and Representative Concentration Pathways (RCP) scenario*4

*1 Source: IEA “World Energy Outlook 2023” *2 Source: IEA “Energy Technology Perspective 2020”
*3 Source: FAO “The future of food and agriculture – Alternative pathways to 2050” *4 Source: IPCC “Sixth Assessment Report”

Disclosure in Accordance with the TCFD Recommendations

Step 2: Identifying risks and opportunities

By making best use of publicly available documents and data, we picked out the risks and opportunities expected to have an impact on our businesses and conducted an analysis of what the world might look like in 2030 in relation to our Farm & Industrial Machinery and Water & Environment businesses. These climate-related scenarios are updated from time to time as we accumulate more data and knowledge. We continue to expand and update our assumed scenarios while referencing the latest literature because it serves as the basis for our scenario analysis.

Step 3: Identification of changes that bear watching

We identified changes in the market and operating environment that bear watching in order to undertake business activities in the future, considering the market size and environmental changes brought about by climate change, the importance of businesses and regions impacted, and implications in the value chain.

Step 4: Scenario analysis

For each change that bears watching, we assessed the impacts (risks and opportunities) on business from the perspectives of agricultural machinery and water-related businesses and then formulated strategies to deal with those impacts.

Related page “Environmental Vision” (p.21)

Risk Management

Risk management in environmental conservation activities

The measures for tackling the significant physical and transition risks of climate change identified in our scenario analyses, as outlined in the governance section, are managed under the oversight of the Board of Directors by way of the ESG management promotion system. In FY2014 the Kubota Group set up the Environmental Management Strategy Committee to deliberate on medium- and long-term targets and key measures relating to environmental conservation, as well as the longer-term direction of environmental management, in light of climate change and other global environmental problems and the Group’s operating environment. From FY2021, discussions of environmental issues were transferred to the ESG Management Strategy Meeting, which is chaired by the president. The objective of this meeting is to formulate policies for generating medium- to long-term corporate value from an ESG perspective and examine and evaluate key measures. Also, the outcomes of its discussions are reported to the Board of Directors and Executive Officers’ Meeting, when required.

❶ Process for identifying risks and opportunities

So that we can identify transition and physical risks and opportunities pertaining to climate change across the entire value chain (including direct operations and upstream and downstream processes), we identify materiality relating to environmental conservation activities, including how we are tackling climate change. We identify risks and opportunities from a near-term, medium-term, and long-term point of view and review them every year. Our materiality identification process is as follows.

Step 1: Collection and analysis of information, including international policies, third-party assessment indicators, and global trends in the Group’s fields of business

Step 2: ESG Management Strategy Meeting review and discussions with related departments and identification of issues through dialogue with stakeholders, including ESG investment institutions

Step 3: Based on the “double materiality” approach examination of the impact of Kubota’s business on society and the environment and its importance to stakeholders and the Kubota Group, and mapping of key issues with a matrix chart.

Step 4: Formulation and steady promotion of key policies after identifying the impacts (risks and opportunities) on important issues

❷ Process for addressing and evaluating risks and opportunities

As for our process for addressing and evaluating risks and opportunities, we have set medium- and long-term environmental conservation targets and we continuously manage our progress towards achieving them. When establishing these targets, the ESG Management Strategy Meeting discusses the draft measures on environmental conservation as well as the medium-term (3–5 years) and long-term (5–15 years) targets. Each business site draws up a plan and then the Environmental Protection Department monitors the progress of those plans annually. The ESG Management Strategy Meeting discusses the direction of key policies and medium- and long-term initiatives based on how close the Group is to achieving its targets. Also, to tackle climate change in a way that best reflects the circumstances of each region, the Group organizes Environmental Manager Conferences in the five regions where Kubota has a business presence so that region-specific issues can be assessed and response measures studied.

❸ Integration with comprehensive risk management

There is a possibility that the transition risks and physical risks related to climate change, natural capitals, and biodiversity could have an impact on business strategy. It is essential that we respond to ESG-related issues as an overall organization. The Company has established the ESG Management Strategy Meeting, chaired by the president, under the Board of Directors to implement comprehensive company-wide risk management with respect to ESG.

The meeting deliberates on the medium- to long-term direction and targets of environmental strategy for environmental management based on global environmental issues such as climate change and on the business environment, then periodically monitors the Company’s performance on these targets.

Related pages “Corporate Governance System” (p.160), “Internal Control System” (p.177)

Disclosure in Accordance with the TCFD Recommendations

Metrics and Targets

The Kubota Group has set, and is working towards achieving, medium- and long-term environmental conservation targets with the aim of reducing climate change risks and expanding opportunities. We also calculate CO_2 emissions (Scope 1 and 2) at the Group's global sites (production and non-production sites) and CO_2 emissions from upstream and downstream processes (Scope 3) and disclose this data every year. We have obtained third-party assurance for our key disclosure data and we are making every effort to improve its accuracy.

Our Long-Term Environmental Conservation Target 2030 calls for a 50% reduction (vs. FY2014) in Scope 1 and 2 emissions at global business sites, and we have set a further target for 2040. For the 2030 CO_2 reduction target based on 2023, we will take actions to reduce emissions by 4.2% or more per year, which is necessary to keep temperature rise within 1.5°C, as called for by SBTi. We also aim to achieve carbon neutrality by the year 2050, as outlined in the Environmental Vision. As our current Medium-Term Environmental Conservation Targets 2025 are for the year 2025, we have revised our 2030 targets upward, taking into account past performance and the outlook going forward. To reach these targets, we will continue to find ways to lower energy consumption at our business sites, transition away from fossil fuels primarily by replacing our cupola furnaces with electric furnaces, and ramp up our use of renewable energy.

Looking ahead, we will promote initiatives that lead to solutions for the issues of climate change by promoting environmental conservation activities and expanding our environment-conscious products and services globally.

● Climate Change-related Targets and FY2024 Results

Action item	Management indicator	Base FY	FY2025 target*3	FY2030 target*3	FY2040 target*3	Result*3
Reduce CO_2 emissions (Scope 1 and 2)	CO_2 emissions*1	2014	—	▲50%	▲75%	▲31.7%
		2023	—	▲30%	—	▲5.1%
	CO_2 emissions per unit of production*2	2014	▲45%	▲60%	—	▲46.1%
	Ratio of renewable energy usage*1	—	20% or more	60% or more	—	13.2%
Save energy	Energy consumption per unit of production*2	2014	▲35%	▲45%	—	▲38.6%
Expand Eco-Products	Sales ratio of Eco-Products	—	70% or more	80% or more	—	73.1%

*1 Global business sites
*2 Global production sites
*3 ▲ indicates a negative figure.

Related pages "Environmental Management Approach" (p.17), "Environmental Management Promotion System" (p.27)

Disclosure in Accordance with the TCFD Recommendations

Scenario Analysis

❶ Scenario analysis assumptions

The scenario analysis in the TCFD recommendations will be used to examine the financial impact on business due to highly uncertain climate change problems and the impact on future business strategy. In our scenario analysis of the impacts of climate change, we conducted an assessment of the anticipated impacts on business in the year 2030 with the use of the publicly available 1.5°C/2°C and 4°C scenarios of mainly the IPCC and the IEA based on population increase and economic development projections through 2050.

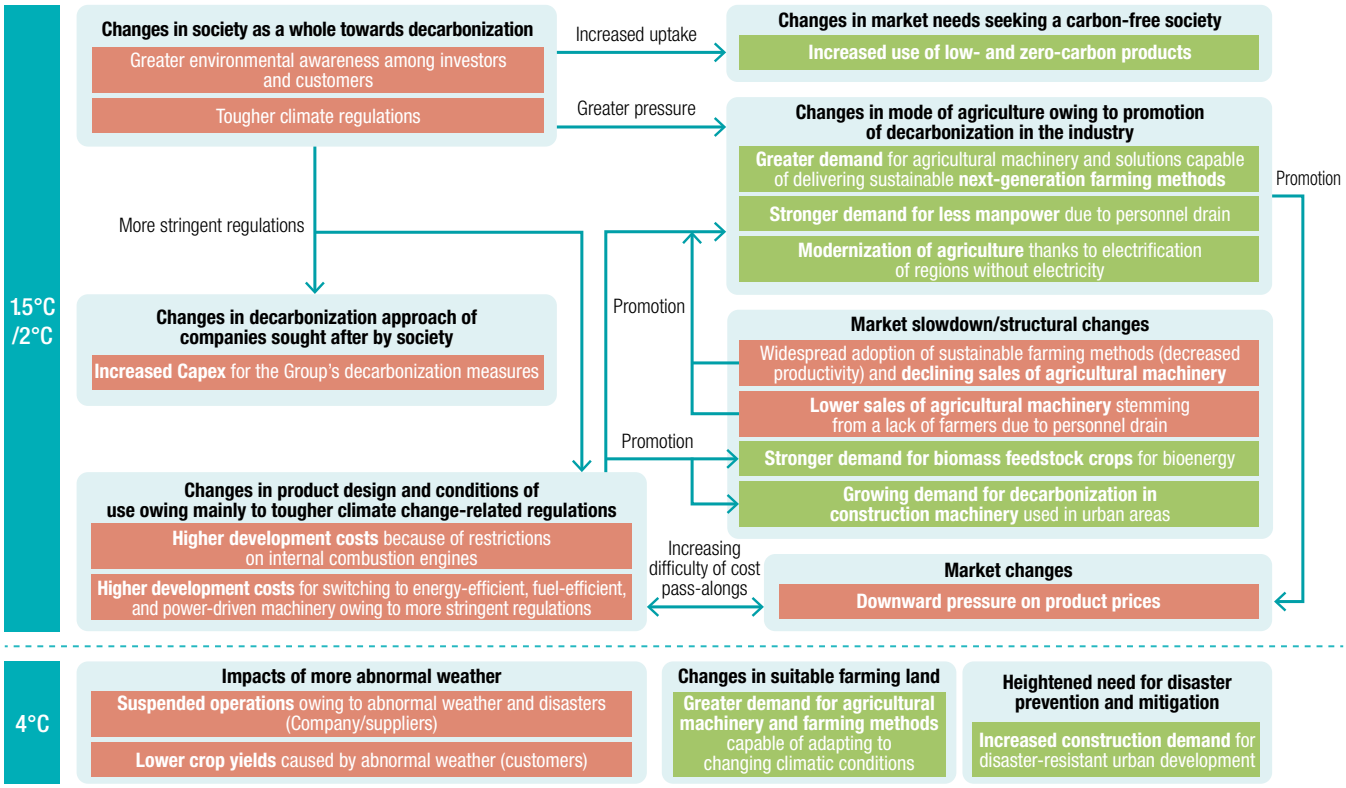
❷ Results of climate change scenario analysis in each business field

Expected impacts of climate change on the Farm & Industrial Machinery business (2030)

Much like the decarbonization of the automotive industry, we expect more stringent regulations to be adopted in the Farm & Industrial Machinery business in the future and we therefore anticipate that the push for greater diversification of power sources will gain increasing momentum in industrial machinery fields. Given the listing (taxonomy) of sustainable economic activity in Europe and the adoption of restrictions on vehicles with internal combustion engines driving into urban areas, demand for electrification in industrial machinery is expected to increase going forward. This will likely include construction machinery used in works projects and lawnmowers used to maintain public parks. The WEO forecasts that demand for oil in the transportation sector will decline under the 1.5°C scenario, but will continue to be used as a raw material in the industrial sector. Similarly, we expect industrial machinery to be used in regions where there is no easy access to charging infrastructure; for example, construction work and farming, where long working hours are a must. From a long-term perspective, we do expect to see the increased use of battery power and low- and zero-carbon fuels, but narrowing them down to just one favored power source for applications in the agricultural and construction machinery fields is proving to be a challenge. Accordingly, even though the use of electrified machinery and low- and zero-carbon fuels will have spread to some regions by 2030, we think demand for products that use fossil fuels will still persist. For this reason, we believe we must develop products that meet the need for various power sources.

Changes in weather conditions, such as temperature increases, changes in precipitation patterns, and higher levels of CO_2 in the atmosphere, may affect yields depending on the crop and the region. For example, warmer weather usually accelerates crop growth, but extreme changes in temperature or rainfall could lead to reduced yields. The FAO forecasts that particularly in temperate regions, climate change will have a negative impact on crop yields. It also anticipates that the development of crops that can cope with temperature changes, advancements in agricultural technology, the development of sustainable next-generation farming methods, and the evolution of agricultural machinery will mitigate the adverse effects of climate change on crop yields. Accordingly, we believe that changing weather conditions could bring about changes in the environment in which crops are grown, thus driving the evolution of agriculture.

The World around 2030 with Respect to the Farm & Industrial Machinery Business



Key: Examples of anticipated risks and opportunities

Disclosure in Accordance with the TCFD Recommendations

<Changes considered in Farm & Industrial Machinery business>

Changes considered	Value chain impacts			Scenario	
	Procurement	Direct operations	Products	1.5°C/2°C	4°C
Changes in product design and conditions of use owing mainly to tougher climate change-related regulations		○	○	○	
Changes in market needs seeking decarbonized products and services		○	○	○	
Changes in mode of agriculture owing to promotion of decarbonization in the industry		○	○	○	
Changes in suitable farming land (changes in demand for agricultural machinery and farming methods)			○		○

<Results of analysis of Farm & Industrial Machinery business>

Legend: Examples of anticipated risks and opportunities

Scenario	Summary of scenario analysis results (changes in market and operating environment)		Evaluation results (2030)	Financial impacts* (2030)
1.5°C/ 2°C	**Risks** [Technologies]	**Changes in product design and conditions of use owing mainly to tougher climate change-related regulations** • Controls on fuel-efficiency improvements in internal combustion engines will be further tightened up ahead. • Japan, the US, and European countries have announced carbon-neutrality roadmaps for around 2050 and the transition to electrification and BEVs in the passenger car market in particular is gaining momentum. • New regulations and similar will be applied to products that use internal combustion engines, like agricultural and construction machinery and utility vehicles, and the need to reduce CO_2 emissions will grow stronger and demand for electrification, fuel cells, low- and zero-carbon fuels (hydrogen engines and synthetic fuel engines), and other power sources will grow increasingly diversified. • For large machinery not suited to electrification because of the requirement for long operating hours and higher power, products with internal combustion engines will be used. The use of low- and zero-carbon fuels in internal combustion engines will also increase.	We will need to secure business opportunities in the future by aggressively pursuing R&D of products that offer improved fuel efficiency and can run on various power sources	Medium
	Opportunities [Products]		The impact on revenue of decarbonized products will be limited even though restrictions will have been adopted in some developed regions by 2030	Low to medium
	Opportunities [Markets]	**Changes in market needs seeking decarbonized products and services** • Market demand will increase for new value nonexistent in construction machinery, lawnmower, and utility vehicle products with internal combustion engines. For example, reduced noise, no refueling hassles, and indoor use. • Depending on the fuel supply infrastructure in the region, demand will grow stronger for products equipped with a gas/hydrogen engine or a hybrid engine that runs on low- or zero-carbon fuels.	The impact on revenue by 2030 will be limited even though in some lead markets and existing markets there will be customers wanting electrified construction machinery, lawnmowers, and utility vehicles, and the like	Low to medium
	Opportunities [Markets]	**Changes in mode of agriculture owing to promotion of decarbonization in the industry** • Crop yields will increase as farming technology advances and the effective use of farmland is further encouraged as a measure to adapt to climate change. • Decarbonization in agriculture will continue to gather momentum in developed economies and the adoption of sustainable farming methods will become more widespread. • Decarbonization and modernization of agriculture in emerging economies will progress concurrently and give rise to smart farming and farming solutions, which in turn will spur demand for energy-efficient agricultural machinery. • Demand will grow stronger for carbon-free farming methods, such as non-tilled cropping, that lead to increased carbon storage in the soil.	Prospects for higher revenue from mainly agricultural machinery and smart farming solutions that contribute to low- and zero-carbon agriculture	Medium to high
4°C	**Opportunities** [Resilience]	**Changes in suitable farmland (changes in demand for agricultural machinery and farming methods)** • Climate change will affect the relocation of suitable farmland and crop production. • Demand will increase for farming solutions and support on transitioning to new agricultural machinery and farming methods, including smart machinery and precision agriculture. • Changes in demand for farming solutions are emerging in wet climate regions, especially North America, Asia, and some parts of Europe.	Prospects for higher revenue from agricultural machinery and farming solutions that can be adapted to changing weather conditions.	Medium to high

Countermeasure strategies

We intend to contribute to the reduction of CO_2 emissions at the product use stage through innovation.

- Continue to bolster hybridization efforts and other R&D activities aimed at improving fuel efficiency of engines most likely subject to tighter restrictions up ahead
- Expand our lineup of products that can help bring about carbon neutrality, in keeping with the needs of the market
- Accelerate R&D towards the practical application of various power sources, such as electrification, fuel cells, low- and zero-carbon fuels (hydrogen engines and synthetic fuel engines) according to the energy supply situation in each region

We will look to help lower greenhouse gas emissions from farming and support sustainable food production activity.

- Propel R&D in products and services that can be adapted to low- or zero-carbon farming practices; for example, recycling of local biomass resources and carbon storage and give tangible shape to farming solutions.
- Expand and popularize agricultural machinery and services that make smart farming (automated machinery, precision agriculture, etc.) possible so as to contribute to more efficient farming that requires less manpower
- Contribute to the establishment of sustainable agriculture through next-generation crop production to help solve issues in the food value chain with the use of vegetable factories and the like
- Give tangible shape to farming solutions in regions affected by changing weather conditions
- Expand applications for the following systems that integrate cutting-edge technology with ICT to contribute to greater farming efficiency: Kubota Smart Agri System (KSAS), a system that supports farm operations; Kubota Smart Infrastructure System (KSIS), an IoT solutions system; and WATARAS, Kubota's farm water management system

* Impact on earnings shown as low (less than or equal to ¥2.5 bn), medium (greater than ¥2.5 bn but less than or equal to ¥25.0 bn), or high (greater than ¥25.0 bn).

<Initiatives helping to fight climate change>

Contributing to greater efficiency and labor saving in agriculture with the Agri Robo tractor

Contributing to lower CO_2 emissions from the operation of battery-powered construction machinery and tractors

Compact and electronically controlled fuel-efficient diesel engine

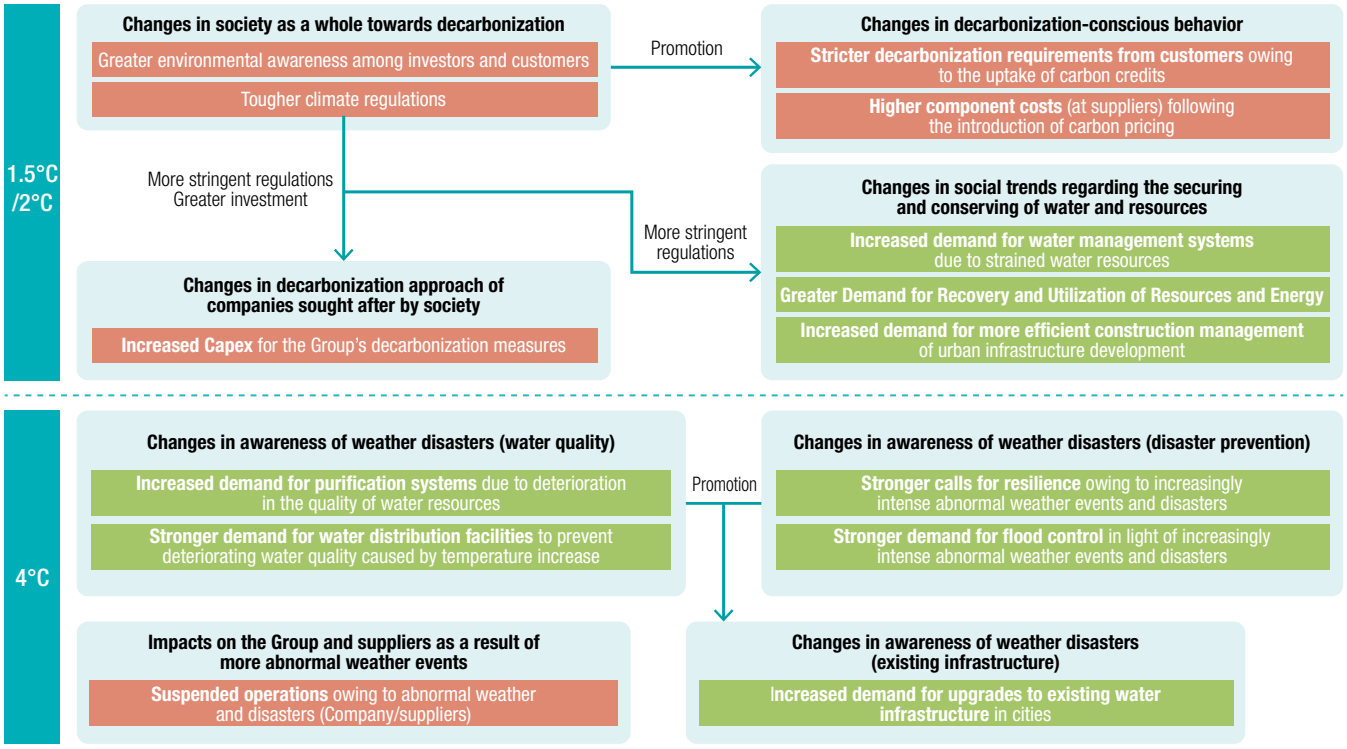
Contributing to more efficient farming with the Kubota Smart Agri System (KSAS)

Disclosure in Accordance with the TCFD Recommendations

Expected Impacts of Climate Change on the Water & Environment Business (2030)

As for the Water & Environment business, we expect impacts to materialize in the future in procurement, manufacturing, and other parts of the value chain owing to the decarbonization of production methods and a higher carbon tax for iron, a key raw material in many products. We also forecast the greater use of mainly mineral resources owing to population increase and economic development. As awareness of decarbonization and a circular economy grows stronger in society as a whole, we think the recycling movement will gather pace in order to avoid the mining of new resources. We anticipate increased demand for water resources, but there are concerns that water quality will deteriorate mainly because of the chlorination of groundwater caused by rising sea levels and increased turbidity of rivers stemming from torrential rain. All of this likely means that water resources will have to be managed even more rigorously. In addition, we expect impacts on water for agriculture and domestic use to materialize because water stress in Japan, China (northeast), North America (west), Europe (south), the Middle East, and South Asia is expected to increase under the 4°C temperature increase scenario (shown in the diagram below). According to the IPCC Sixth Assessment Report, a 4°C temperature increase is expected to result in less river flooding in high-latitude regions of North America and Europe, while an increase in frequency is anticipated in mid-latitude and tropical humid regions, as well as monsoon regions. We therefore believe it is imperative that we build social infrastructure that supports people's livelihoods, such as engaging in urban development that makes effective use of resources and creates communities resilient to weather disasters.

The World around 2030 with Respect to the Water & Environment Business



Key: Examples of anticipated risks and opportunities

Disclosure in Accordance with the TCFD Recommendations

<Changes considered in Water & Environment business>

Changes considered	Value chain impacts			Scenario	
	Procurement	Direct operations	Products	1.5°C/2°C	4°C
Changes in social trends regarding the securing and conserving of water and resources			○	○	
Changes in awareness of weather disasters			○		○

<Results of analysis of Water & Environment business>

Legend: Examples of anticipated risks and opportunities

Scenario	Summary of scenario analysis results (changes in market and operating environment)		Evaluation results (2030)	Financial impacts* (2030)
1.5°C/2°C	Opportunities [Markets]	**Changes in social trends regarding the securing and conserving of water and resources** • Ongoing population increase and economic development will further drive up demand for water. • Restrictions will be enforced on the intake and discharge of water for household and industrial use in developed countries and Asia as a preventive measure against stretched water resources and deteriorating water quality owing to the impacts of climate change. • Demand will increase for solutions that resolve water shortages and poor water quality.	Prospects for higher revenue from products and solutions in connection with the development of water and sewage infrastructure	Medium to high
	Opportunities [Resource Efficiency]	**Changes in social trends regarding the securing and conserving of water and resources** • Demand will rise for solutions that facilitate the effective utilization of energy and resources, such as the use and exploitation of rubbish and agricultural waste, as well as the recovery of energy from previously unused small-scale hydropower. • Decarbonization combined with a circular economy will gather momentum, the mining of new resources will be avoided, and the recycling of resources will further increase. • Demand will grow stronger for solutions that can make the construction of water infrastructure more efficient, primarily as a result of increased urbanization construction work and fewer workers.	Prospects for higher revenue from solutions related to the reclamation/recovery and more efficient use of resources and energy.	Medium to high
4°C	Opportunities [Resilience]	**Changes in awareness of weather disasters** • Climate change is expected to negatively affect people's living environment chiefly because of the more frequent occurrence of typhoons, torrential rain, and other natural disasters, alongside drought and deterioration in water quality. • Demand will increase for stronger resilience of existing water infrastructure, upgrades to aging facilities, and improvements in water quality in order to combat increasingly intense natural disasters. • Demand will grow in Japan for water-related products aimed at bolstering national resilience in response to increasingly intense natural disasters as a consequence of climate change.	Prospects for higher revenue from ongoing demand for products and solutions in connection with the development of more resilient water infrastructure, disaster response measures, and water quality improvements	Low to medium

Countermeasure strategies

We intend to contribute to the effective use of various resources (water, energy, minerals, etc.).
- Contribute to the development of water and sewage infrastructure to meet increased water demand
- Expand offerings of purification and sewage treatment products and solutions to help improve water quality
- Manufacture and promote the use of biofuels derived from mainly agricultural waste, household waste, and sewage sludge so as to contribute to the development of resource recycling schemes in communities
- Promote the development of "deep recycling technology" that utilizes waste plastic as an energy source to recover valuable metals from discarded home appliances and other so-called "urban mines," reduce the volume of waste destined for landfill
- Promote the effective utilization of resources by expanding the use of sewage sludge melting systems to recover heavy metals and phosphorus from sewage sludge
- Expand the use of smart waterworks systems that contribute to energy savings during water pipeline construction and management

We intend to contribute to the building of water infrastructure that is resilient to weather disasters.
- Expand provision of disaster prevention and disaster response products; for example, ductile iron pipes that can withstand disasters, drainage pump trucks that can meaningfully contribute to disaster recovery efforts, and river level simulation/operational control systems for pump stations that help prevent disasters
- Expand applications for the Kubota Smart Infrastructure System (KSIS) to support water treatment plant operations and the remote monitoring, diagnosis, and control of equipment

* Impact on earnings shown as low (less than or equal to ¥2.5 bn), medium (greater than ¥2.5 bn but less than or equal to ¥25.0 bn), or high (greater than ¥25.0 bn).

<Initiatives helping to fight climate change>

Ductile iron pipes make water supply possible even during times of disaster

Submerged membranes can also be used to recycle wastewater

The Kubota Smart Infrastructure System (KSIS) makes facility management and operation more efficient and less reliant on manual labor

Disclosure in Accordance with the TCFD Recommendations

Expected Universal Impacts of Climate Change on Both Businesses (2030)

In both the Farm & Industrial Machinery and Water & Environment businesses, we expect to see tighter restrictions on GHG emissions associated with business activities and impacts on business operations as a result of abnormal weather events. Climate change is a global issue that needs to be addressed by society as a whole, and in order to continue undertaking sustainable business activities, tackling the problem of climate change is absolutely essential. Countries worldwide are announcing carbon-neutral declarations as they work towards achieving the objectives of the Paris Agreement. In response, tighter restrictions on GHG emissions and energy use are being rolled out, including the introduction of carbon taxation and carbon border adjustment schemes. We also think investors and the markets will increasingly demand companies to take action on decarbonization. The carbon price in the EU ETS was $61.3/t-$CO_2$e in 2024 (World Bank) and the burden on companies is expected to grow heavier up ahead as GHG emission regulations are further tightened. It is therefore imperative that we push ahead with measures to address climate-related regulations and the risk of higher costs associated with our business activities if we are to maintain our competitiveness.

The Kubota Group does business in over 120 countries and we have a global network of suppliers and production sites. In the 4°C scenario in particular, changes in weather conditions, such as temperature increases, changes in precipitation patterns, and higher levels of CO_2 in the atmosphere, may lead to more frequent storm and flood damage. This will not only affect our company, but also our suppliers and other partners involved in our business operations. We operate in the fields of food, water, and the environment, and we provide products and services that support people's lives. Accordingly, we believe we must build a business structure that is resilient to climate change to ensure the continued supply of our products and services even in the event of weather disasters and the like.

<Changes considered that apply to all businesses>

Changes considered	Value chain impacts			Scenario	
	Procurement	Direct operations	Products	1.5°C/2°C	4°C
Changes in decarbonization approach of companies sought after by society	○	○		○	
Impacts on the Group and suppliers as a result of more abnormal weather events	○	○		○	○

<Analysis results shared by all businesses>

Legend: Examples of anticipated risks and opportunities

Scenario	Summary of scenario analysis results (changes in market and operating environment)		Evaluation results (2030)	Financial impacts*1 (2030)
1.5°C/ 2°C	**Risks [Regulations]**	**Changes in decarbonization approach of companies sought after by society** • Calls will grow stronger for decarbonization across a product's lifecycle worldwide, including the introduction of carbon pricing schemes and carbon border adjustment mechanisms. • Regulations and measures geared towards decarbonization will gather momentum and the rollout of a carbon tax and impetus for the use of renewable energy will accelerate, thus driving up energy prices. • Taxes on fossil fuels and CO_2 emissions will increase owing to the introduction of a carbon tax. • Energy costs and expenses associated with energy-saving measures are expected to rise when governments worldwide enforce stricter energy-saving restrictions.	Manufacturing costs will rise, driven by increases in Capex to meet decarbonization and energy-saving obligations, as well as higher energy and raw material prices	Medium
			An expected carbon tax burden will materialize when emission reduction targets are met as a result of measures taken to save energy and curb CO_2 emissions	Low (Approx. ¥2.5 bn*2)
4°C	**Risks [Physical]**	**Impacts on the Group and suppliers as a result of more abnormal weather events** • There will be increasingly intense and more frequent meteorological disasters like torrential downpours and floods. • Negative effects on business activities are expected to be felt at the Group's sites and at suppliers. • Production and sales activities will be affected by delays in procuring raw materials.	Disaster-related losses may arise as a result of weather disasters	Medium (Approx. ¥3.0–6.0 bn*3)
			Costs associated with BCP measures for avoiding the adverse impacts of weather disasters could increase	Medium

Countermeasure strategies

We intend to contribute to the reduction in CO_2 emissions generated by business activities.
- Promote initiatives aimed at conserving energy use, installing energy-efficient equipment, switching to electric furnaces and alternative fuels, installing LED lighting, and expanding the use of renewable energy at production sites

We will aim to beef-up climate change risk countermeasures at the Group's sites and at suppliers.
- Use hazard maps to identify sites that are at high risk of suffering damage from torrential rain, flooding, and strong winds and systematically push ahead with the reinforcement of buildings and measures to prevent electrical equipment from being inundated by water
- Decentralize the purchasing of parts and materials by diversifying procurement routes
- Construct a manufacturing system that is resilient to weather disasters based on a business continuity plan (BCP)

*1 Impact on earnings shown as low (less than or equal to ¥2.5 bn), medium (greater than ¥2.5 bn but less than or equal to ¥25.0 bn), or high (greater than ¥25.0 bn).
*2 Calculated by multiplying the projected carbon tax as of 2030.
*3 Calculated with reference to losses stemming from previous weather disasters.

Related page "Adaptation to Climate Change" (p.33)

Disclosure in Accordance with the TCFD Recommendations

❸ Transition Plan to a Low-Carbon Economy

By performing climate change scenario analyses, we identified the impacts on our businesses and studied what strategies we can take to deal with those impacts. In particular, we believe climate change will have significant impacts on food production and water resources vital to people's livelihoods. Based on the Kubota Group's Environmental Vision, we aim to contribute to the establishment of a carbon-neutral and resilient society. We have formulated a transition plan (roadmap) to demonstrate how we intend to solve these issues in society by achieving our vision.

<Disclosure of Transition Plan in line with TCFD recommendations>

Elements considered for the transition plan		Kubota's circumstances
Governance	Approval, oversight, accountability, reporting, review	Reports and reviews are handled by the ESG Management Strategy Meeting
	Transparency	Progress and new initiatives are reported in mainly integrated reports and ESG reports
	Incentives	Assessments of efforts to promote ESG are reflected in officer remuneration (see p.166)
	Assurance	Medium- and long-term environmental conservation targets, energy consumption, and CO_2 emissions are subject to third-party assurance
Strategy	Alignment	"Mitigating and adapting to climate change" identified as an item of materiality in Kubota's ESG management policy
	Scenario analysis	Disclosing the results of analyses of 1.5°C/2°C and 4°C temperature increase scenarios and background to our environmental vision
	Assumptions	Megatrends in broader society include population increase, economic development, and urbanization
	Prioritized opportunities	Provision of products and solutions that help solve climate change issues in society pertaining to agriculture and water resources
	Action plans	Roadmap formulated from short-, medium-, and long-term perspectives
	Financial plans	Capex and R&D costs associated with climate change measures included in Mid-Term Business Plan 2025
Risk management	Description of risks	Identification of risks in the 1.5°C/2°C and 4°C temperature increase scenarios for the Farm & Industrial Machinery and Water & Environment businesses
	Challenges and uncertainties	Subject to major changes, depending on future technological development and market trends, because roadmap is based mainly on data currently available for analysis
Metrics and targets	Metrics, targets, dates	See p.24 to 26, 38
	Methodology	Establishment of CO_2 emission reduction targets for Scope 1 and 2, referring to reduction levels proposed by SBTi
	GHG emissions reductions	Reductions of Scope 3 and GHG emissions in society are currently being examined

Transition plan

In the TCFD recommendations, a transition plan is defined as "an aspect of an organization's overall business strategy that lays out a set of targets and actions supporting its transition toward a low-carbon economy, including actions such as reducing its GHG emissions." Investors and other users of TCFD information are interested to know how organizations will reduce climate risks and increase business opportunities as they transition to a low-carbon economy. The TCFD revised its recommendations in October 2021 and also released a document that provides guidance on disclosing a transition plan.

For more information about the TCFD Click➡

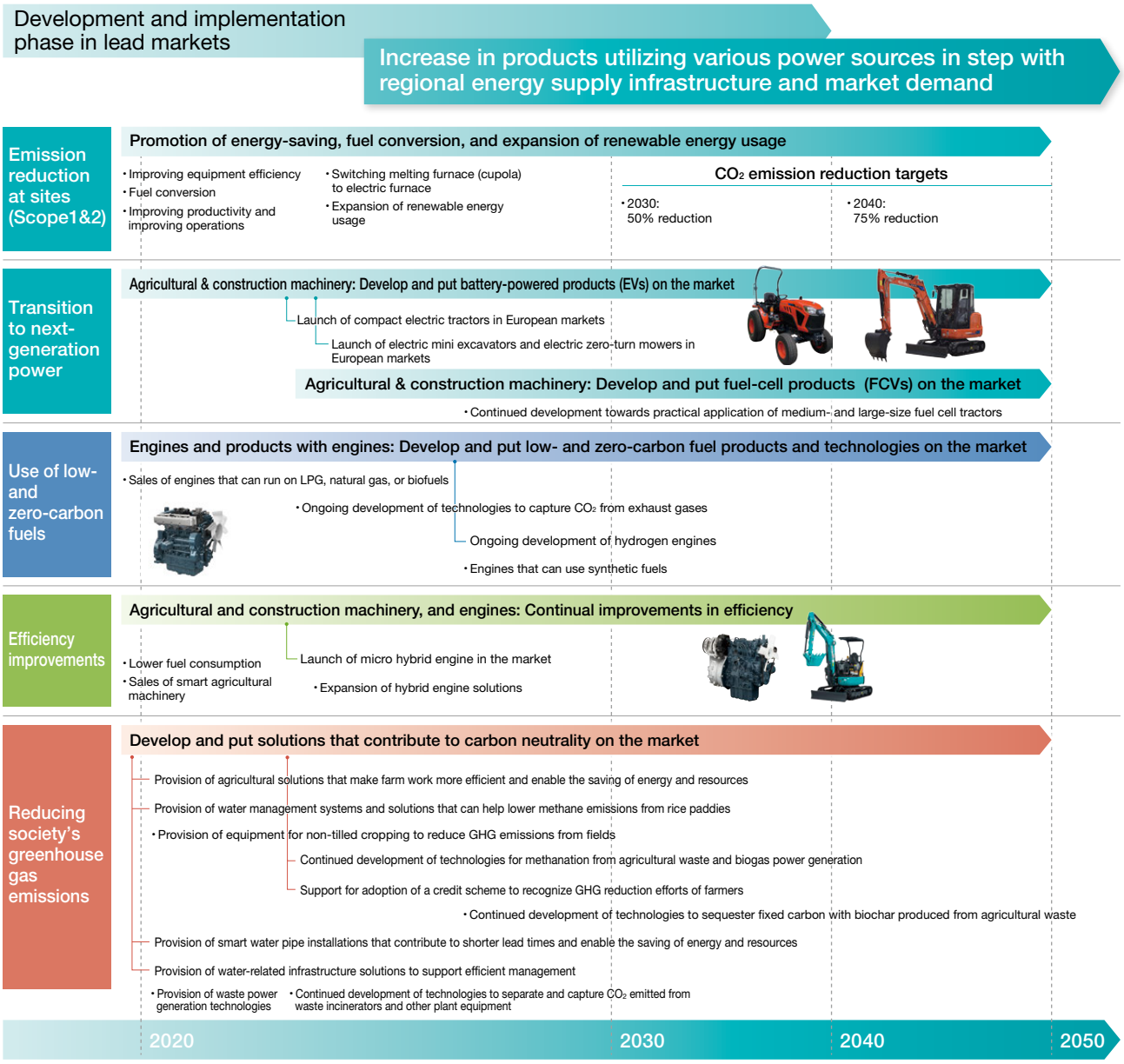
<Transition plans for Carbon Neutrality>

In our climate-related scenario analysis, by the year 2030 we assume that electrification and the use of low- and zero-carbon fuels will have gained traction in some regions. However, we also believe that demand will persist for our agricultural and construction machinery equipped with internal combustion engines. To achieve a low-carbon economy, it is vital that we demonstrate the technological potential of our products in an age that demands carbon neutrality, while also accommodating the growing needs of customers and developing social infrastructure.

We believe that in the carbon-neutral era beyond 2030, there will be plenty of power source options, so we will need to be ready on all fronts. The transition plan below shows how we intend to fight climate change.

Disclosure in Accordance with the TCFD Recommendations

Transition plans for carbon neutrality



The above roadmap is based on information that can be studied at present. It is subject to major changes, depending on future technological development and market trends.

R&D Costs Related to Environmental Conservation, Including Carbon Neutrality Measures

R&D costs primarily for reducing environmental impacts of products and for developing environmental equipment

(Yen in millions)

	FY2023		FY2024	
	Investment	Costs	Investment	Costs
Farm & Industrial Machinery	641	8,990	784	11,546
Water & Environment	641	3,432	531	4,472
Common	854	2,811	294	2,989
Total	2,136	15,233	1,609	19,007

❹ Assessing Our Resilience to Climate Change

We are steadily pressing ahead with our transition plan to counter anticipated risks and seize business opportunities. Based on the results of our scenario analysis that universally applies to both our Farm & Industrial Machinery and Water & Environment businesses, we believe our operations will remain viable under any scenario. By taking the initiative to flexibly adapt to changes in society as a whole, including climate-related regulations, the development of social infrastructure, market trends, and technological advancements, we believe we possess sufficient resilience to transition towards economic activities that demand carbon neutrality. Going forward, through our business operations, we will continue to provide products and services that contribute to solving climate change issues and help bring about a decarbonized world.

Kubota's Initiatives

Future projections for population increase and economic development represent a significant opportunity for our business. However, if the world continues with the same kinds of economic activities as now, they could place a burden on the Earth that exceeds its capability for self-purification and its carrying capacity. This is a risk for the continuity of business activities. We will contribute to the realization of a sustainable society through our business activities and the provision of products and service solutions.

In-house CO_2 Emission Control

Reducing Scope 1 and 2*1 Emissions

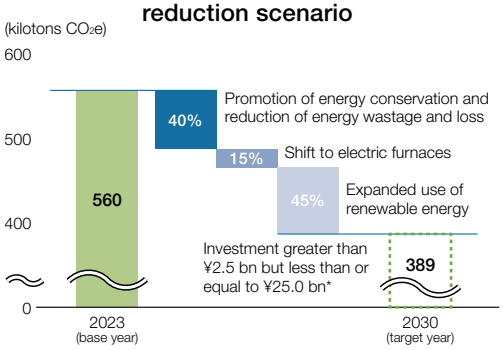
The Kubota Group is continuing to implement energy-saving countermeasures and productivity improvement activities to reduce CO_2 emissions from our own sites, with a focus on production sites. While we will continue to focus on these efforts, we are currently transitioning to fuels that have low CO_2 emissions mainly by discontinuing the use of coking coal in the melting process at our casting plants and switching to electric furnaces. In addition, we are endeavoring to expand our use of renewable energy by installing solar power generation systems and purchasing green power and so forth. At the same time, as we reorganize and transfer our production sites, we will adopt production methods that have a low environmental impact and make other efforts to save energy and resources through production innovation.

Solar power generation system installed on the rooftop of a plant in China

Carbon-Neutral Initiatives at Our Business Sites

The Kubota Group has set an ambitious goal of achieving net-zero CO_2 emissions by 2050. Toward reaching this target, we have declared a target of reducing Scope 1 and 2 CO_2 emission by 30% (compared to FY2023) by 2030. In setting this target, we were cognizant of the need to take action to reduce emissions by 4.2% or more per year in order to keep temperature rise within 1.5°C, as called for by SBTi. Efforts towards achieving this will lead to risk reduction in the anticipated carbon tax on fossil fuel use, the introduction and strengthening of a carbon border adjustment tax, the mandatory adoption of renewable energy, and energy price spikes. At our global sites, we are systematically advancing energy-saving measures, such as transitioning to energy-efficient equipment and reducing energy waste through proper operational management. We are also progressing with initiatives such as electrification of furnaces and expanding the use of renewable energy.

Scope 1 and 2 GHG emissions reduction scenario



* The amount calculated as an increase in Capex mainly for energy-saving measures and the installation of electric furnaces when the transition plan was being reviewed may need to be recalculated.

Reducing Scope 3*2 Emissions

Over 80% of the Kubota Group's Scope 3 emissions are generated during the use of sold products. Therefore, our efforts to develop products that can perform more work more precisely using less energy by improving the operational fuel consumption of our agricultural and construction machinery tie in directly to emissions reductions.

Through the robotization of agricultural machinery and the use of ICT, we are promoting smart agriculture. This is not only saving labor in agricultural operations, but also contributing to energy and resource savings. Currently, fossil fuels such as diesel and gasoline are the main sources of energy, but we are striving to utilize fuels that have lower CO_2 emissions, such as biofuels (e-fuel) and synthetic fuels. We are also actively pursuing R&D aimed at the decarbonization of motive power, such as electrification, hybrid systems, and fuel cells.

Also, in terms of measures for reducing emissions generated from the transportation of products, we are taking steps to improve load efficiency and drive a modal shift mainly by shipping products together and sharing the use of shipping containers with other companies.

*1 Scope 1: Direct emissions by the Group itself
Scope 2: Indirect emissions from purchased electricity, etc.
*2 Scope 3: Other indirect emissions (emissions by others or at customers' sites related to the Group's activities)

Concept machine: New Agri Concept

Electric construction machinery and tractor

Contribution to GHG Reduction in Society and the Realization of a Resilient Society

Environmental Contribution in the Field of Food

In the field of food, including agriculture, the Kubota Group is working to increase harvest yields per area and the quality of crops by further promoting smart agriculture. The goal is to increase crop yields to meet rising food demand without increasing cultivated areas. In addition to saving energy and resources primarily by improving operational efficiency and applying the right amounts of fertilizer and pesticides, we intend to curb deforestation and the destruction of nature for farmland expansion.

In other initiatives, we provide the farm water management system WATARAS, which allows users to remotely and automatically control water flowing in and out of rice paddies while monitoring the water level of the paddies themselves. We are conducting trials of a “smart rice paddy dam” that temporarily retains rainwater in a rice paddy by enabling users to remotely increase the water level setting for draining water from the rice paddy when there is a danger of river flooding due to heavy rain. This is expected to serve as a way of preventing flooding and increasing the resilience of local areas to water damage.

For the future, we are looking at building a food value chain data-linking platform from crop production, food distribution to consumption and supplying an automatic management system that uses AI. This would help visualization of demand trends, promoting a shift to “market-in” agriculture where production and sales are conducted in response to demand. At the same time, it would deliver safe, secure crops with a high level of freshness to consumers, thereby helping to reduce food losses.

Tractors hard at work in global markets

Control screen of Kubota Smart Agri System

Farm Water Management System WATARAS

Environmental Contribution in the Field of Water and Waste

The Kubota Group supports water infrastructure as a comprehensive manufacturer of water-related items from pipe materials used for water supply and sewage to engineering of water treatment plants. We use these technologies to provide resource recovery solutions, such as fermenting sewage sludge generated in sewage treatment plants and waste such as food residue generated by agriculture and food plants to extract biogas for reuse as an energy resource, generating electricity using the recovered biogas. We are working on projects that contribute to the building of a circular economy but which also help lower CO_2 emissions by curtailing the need to mine virgin resources from the earth by providing crushing and sorting techniques to recover such resources as metal and plastics from waste—a process known as urban mining—as well as melting technology that enables the reuse of incinerated waste residue.

As an example of reducing society’s GHG emissions, the Kubota Group has delivered a waste incineration and melting plant (Nagano Regional Alliance/Chikuma Environment and Energy Center), which uses the thermal energy generated when waste is burned to generate electricity. Its effect of reducing CO_2 emissions is about 5,100 t-CO_2/year.

Plastic crushing and sorting facility

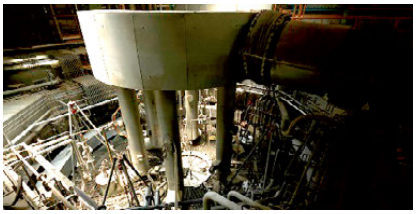
Environmental Contribution in the Field of Urban and Living Environments

The Kubota Group is saving energy and improving operational efficiency on construction sites by leveraging our strengths in the water environment infrastructure business and construction machinery business. One way we do this is by supplying a smart water pipe installation system that conducts optimal installation based on pipeline information.

In the area of agricultural and construction machinery, we use a fault diagnosis app to reduce downtime of machinery that has a fault, helping to increase the efficiency of maintenance work.

Going forward, we will look at building a platform that aggregates underground pipe data to help in reducing construction time and labor for urban construction projects and so forth and providing a solution for extending the life and renewing underground infrastructure. These initiatives will also help to save energy in the construction field.

We will enhance the disaster resilience of urban infrastructure such as water supply and sewage systems by upgrading water supply and sewage facilities and river flooding monitoring and management platforms using plant information and sensors. Moreover, by appropriately operating these plants and facilities under optimal conditions, we will also contribute to energy saving.



Rotary-type surface melting furnace that can liquefy residue and ash, turn it into slag, and reuse it as a resource

Agricultural and construction machinery fault diagnosis app

Initiative #1 Achieving agriculture with decarbonization—agrivoltaics to reduce greenhouse gas

In 2024, the Kubota Group started an agrivoltaics business in farmland areas of Northern Kanto, such as Tochigi and Ibaraki prefectures. By installing agrivoltaic equipment, we aim to promote the utilization of cultivated land and abandoned farmland, revitalize local farming and contribute to sustainable farming. At the same time, we aim to realize a reduction in greenhouse gases.

In our Environmental Vision published in 2021, Kubota has declared that we will contribute to the realization of carbon neutrality in 2050. As part of this, we have been introducing agrivoltaics and examining ways to utilize the renewable energy that they generate.

All of the renewable electricity generated through this initiative is supplied to the Kubota Tsukuba Plant. In this way, we have been able to replace about 9% of the electricity used at the plant with renewable energy, which helps to reduce approximately 2,600 tons of CO_2 per year. Going forward, we will expand the farms covered by the initiative with the aim of achieving both the continuity of farming and the reduction of GHG emissions.

Agrivoltaic equipment installed at a farm

Initiative #2 — Battery-powered products

Battery-powered mini excavator

The battery-powered mini excavator KX038-4e was launched in European markets in spring 2024. Europe is a world leader in environmental initiatives and a region where demand is growing stronger for environment-conscious products. This model has been equipped with energy-saving features, such as an “eco mode” that adjusts the motor’s rotation speed, to ensure four hours of continuous operation. This makes it possible to perform a day’s worth of construction work such as laying pipes in urban areas, which is one of the main applications of mini excavators, without having to recharge the battery in the middle of the day.

This model will be supplied to end-users under a rental contract through local dealers. We intend to further expand our lineup of environment-conscious products while deepening our knowledge of issues encountered during the use of this model.

Battery-powered tractor

In 2023, we started providing a long-term paid rental service for compact electric tractors in some parts of Europe. This product is equipped with a large-capacity battery that delivers, on average, three to four hours of continuous operation from just one hour of rapid charging in order to address one of the major challenges of electrified tractors: ensuring enough continuous operating time. Rapidly recharging the battery during one’s lunch break means the tractor can continue to run in the afternoon.

In addition, this product has received many external awards and was certified as a Super Eco-Product in FY2023.

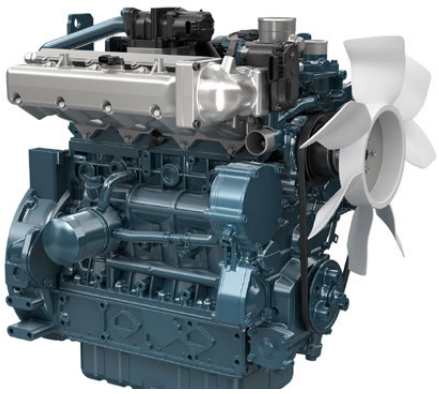
Electric zero-turn mower

In 2024, we launched the Ze series of electric zero-turn mowers (Ze-481/Ze-421) for the European market. The Ze series is Kubota’s first lithium-ion battery-powered ride-on mower developed for the professional market, such as local governments and contractors, in Europe. To meet professional needs for all-day operation, a replaceable battery pack system is provided, along with multiple motors and inverters for traveling and mowing operations.

Initiative #3 — Expanding the possibilities of internal combustion engines with hydrogen engine development

In addition to improving the fuel efficiency of engines for industrial machinery, we have been researching the application of hydrogen, biofuels, synthetic fuels, and other decarbonized fuels. We believe the industrial hydrogen engine currently under development will offer a new option for reducing the impacts on the environment and on people during use. A hydrogen engine works by generating thermal energy through a reaction between hydrogen and oxygen in the air. This energy drives an internal combustion engine. When used as fuel, hydrogen produces water vapor upon combustion, without emitting CO_2. It also emits no odor as fossil fuels do when combusted.

Developing hydrogen engines, which offer one option for a sustainable future, is a key aspect of our initiatives.



Hydrogen engine

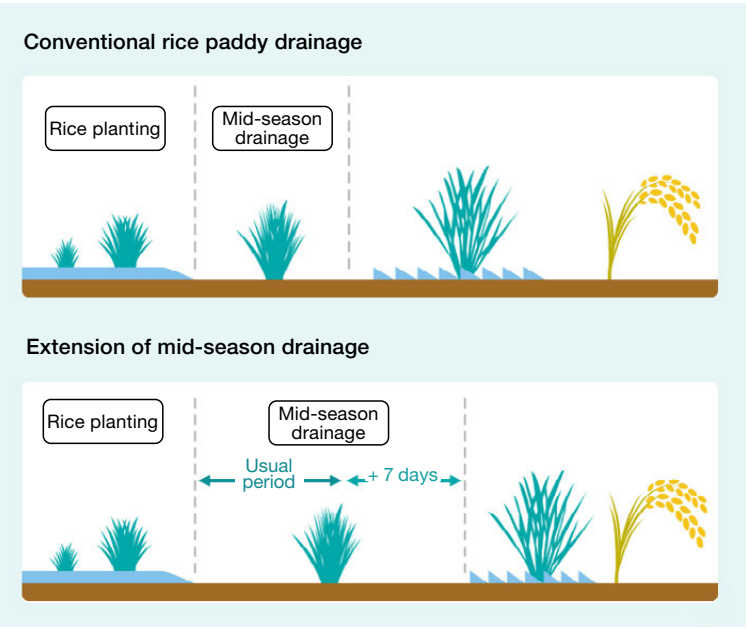
Initiative #4 — Supporting agriculture with the J-Credit scheme: helping to reduce GHG emissions by extending the rice paddy drainage period

As one measure for realizing carbon neutrality, the Kubota Group is continuing to provide solutions geared towards lowering GHG emissions generated from agriculture and other activities in the society. We currently offer a service through which farmers can reduce their methane emissions and have the reduced amount of GHG emissions credited under the J-Credit scheme by extending their mid-season rice paddy drainage period. In order to promote the utilization of the J-Credit scheme, we established an association to operate and manage J-Credit projects. This initiative is designed to achieve both sustainable agriculture and global environmental conservation by managing and operating J-Credit creating projects in agriculture, such as the extended rice paddy drainage period.

Following the registration of the extended rice-paddy drainage period as a project under the J-Credit scheme, we started initiatives with growers in June 2023. In March 2024, approximately 1,700 t-CO_2 credits were verified, and we aim to expand its initiatives in 2025.

If project participants use the Kubota Smart Agri System (KSAS) and farm water management system WATARAS to support their farm operations, they can further reduce their environmental footprint and contribute to reductions in GHG emissions. Also, farmers can not only lower their GHG emissions, but they can generate revenue through the creation of credits.

Extended rice paddy drainage period



WATARAS

Mid-season drainage is the wet-rice farming practice of draining the paddy field of water during growth and drying out the soil in order to adjust the growth of rice plants by preventing root rot and controlling excessive tillering. By extending the traditional length of time the paddy is left dry by one week, the soil can absorb more oxygen and repress the activity of methane-producing bacteria, thus reducing methane emissions by around 30%.

Initiative #5 — Operation of a demonstration plant for manufacturing biofuel and other products from rice straw

Yosuke Kamata
Chief Specialist
Water and Environment
R&D Dept. I

In recent years, environmental issues and the growing importance of renewable energy have seen demand for sustainable energy and resource use in the agricultural sector.

A demonstration plant has been established in Ogata Village, Japan's largest area of reclaimed land, located in the north western part of Akita Prefecture, created by draining Lake Hachirogata. Rice cultivation is popular in this area, which produces around 10% of all the rice in Akita Prefecture, along with a huge amount of rice straw each year.

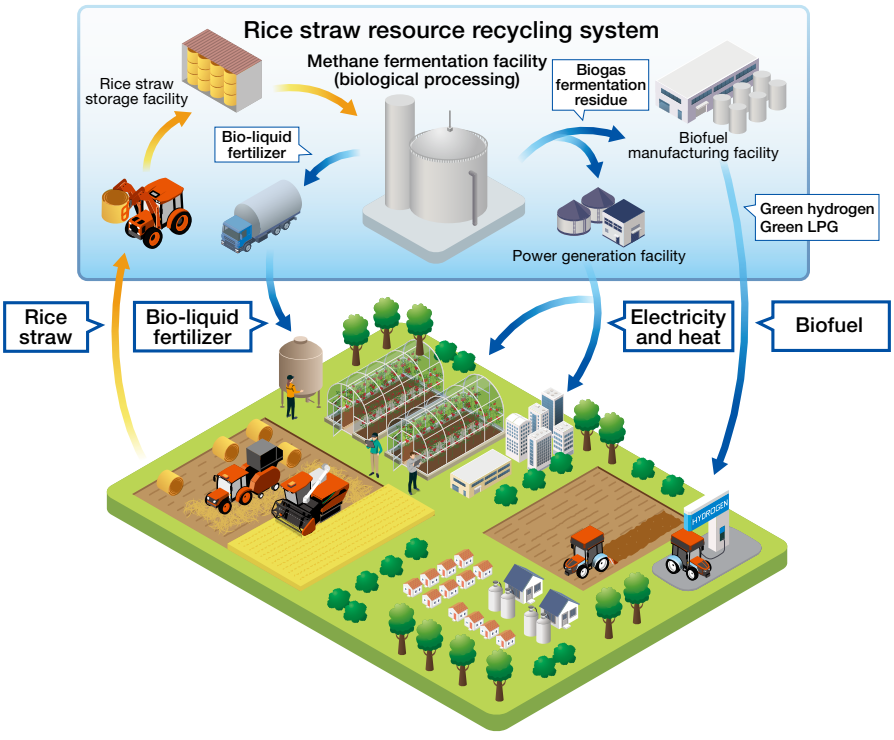
Japan produces around 8 million tons of rice straw each year, of which approximately 6.5 million tons is plowed back into the farmland. On one hand, the plowed-in rice straw acts as fertilizer; but it also emits methane gas, which has a greenhouse effect 28 times more potent than carbon dioxide.

The Company has been commissioned by the Ministry of the Environment to carry out the "Demonstration Project of Innovative Catalyst Technology for Decarbonization through Regional Resource Recycling*," which aims to reduce atmospheric methane emissions and make effective use of rice straw for energy and as a resource. This research will develop technology using catalyst technologies of Kyoto University and Waseda University, while also collecting rice straw in collaboration with local farmers. We are conducting research for building a regional resource recycling system that manufactures biofuels such as biogas, green hydrogen, green LPG, as well as fertilizer (bio liquid fertilizer) for agricultural and household use through methane fermentation of rice straw.

Collecting straw with a mechanical rake

Rice straw as a raw material

* Ministry of the Environment website: "MOE Japan Selected One Demonstration Project of Innovative Catalyst Technology for Decarbonization through Regional Resource Recycling" Click



Rice straw resource recycling system concept drawing

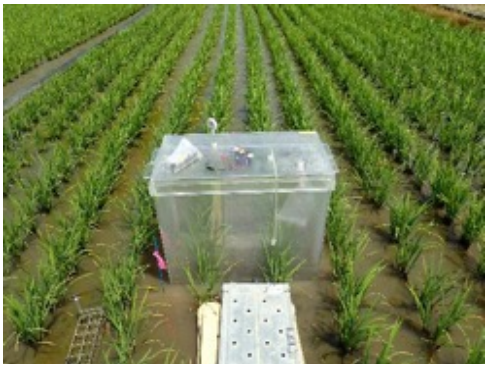
By putting straw in the tank with water and bacteria to ferment, biogas containing methane and carbon dioxide is produced. We are exploring electricity generation by combusting this methane, as well as manufacturing hydrogen from the biogas, or manufacturing liquid petroleum gas (LPG) from partially fermented methane fermentation liquid. We also aim to build systems for recycling local resources, such as using organic residue from methane fermentation as fertilizer and using carbon dioxide to promote photosynthesis in greenhouse cultivation.

In the current demonstration project, we are developing manufacturing technologies for biofuel and bio-liquid fertilizer from rice straw, and also conducting testing for the creation of efficient systems for collecting rice straw and using biofuel and bio-liquid fertilizer. In the course of these activities, we encountered a particular issue for Ogata Village, which is reclaimed land, that it is difficult to use a large round bailer to effectively gather rice straw due to the soft ground.

In addition, we are confirming the impact on rice cultivation and soil of not plowing rice straw back into the soil and of returning methane fermentation liquid to soil in a joint research project with Akita Prefectural University and Ogata Village.

Therefore, the demonstration project for rice straw methane fermentation in Ogata Village is important for both environmental conservation and contribution to local communities.

A methane fermentation facility approximately 12 meters high



GHG measurement using the closed chamber method

(Spring) Applying bio-liquid fertilizer

The demonstration project for rice straw methane fermentation in Ogata Village is an effort to realize both environmental conservation and contribution to local communities aimed at equipping the society of 2030. Kubota aims to continue realizing sustainable agriculture through this project. With the successful completion of the demonstration project and spread of the technologies, we expect to see the establishment of a new method of using agricultural waste as a step toward a better future.

Working towards a Recycling-based Society

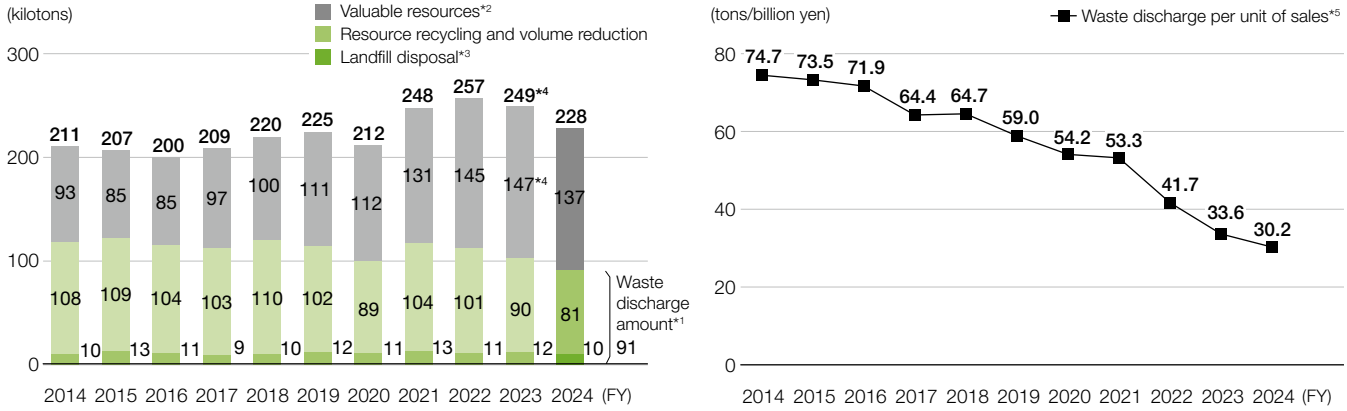
As a result of being a mass-production, mass-consumption, and mass-disposal society, we now face many problems such as the depletion of resources and increasing waste. The increase in plastic waste has led to marine plastic pollution in the world's oceans–now a serious problem for society.

The Kubota Group sees working towards a recycling-based society as one of its materiality, and has been advancing initiatives to promote "reduce" (reducing the amount generated), "reuse" (internal recycling and reuse), and "recycle" (improving the recycling ratio) of waste, in addition to initiatives to promote the effective use of resources and resource saving.

Waste, etc. from Business Sites

In FY2024, the waste discharge amount was 91 kilotons, a decrease of 10.8% compared to the previous year. Also, waste discharge per unit of sales improved by 10.3% year on year. We reduced waste discharge compared to the previous year due to the decline in production volume at casting production sites as well as the shift to electrical furnaces and other steps to reduce waste. Waste discharge per unit of sales improved as consolidated net sales were about level with the previous year and as the amount of waste discharge decreased. Of the waste discharge amount in FY2024, the amount of hazardous waste discharge was 7.5 kilotons, down 10.1% from the previous year.

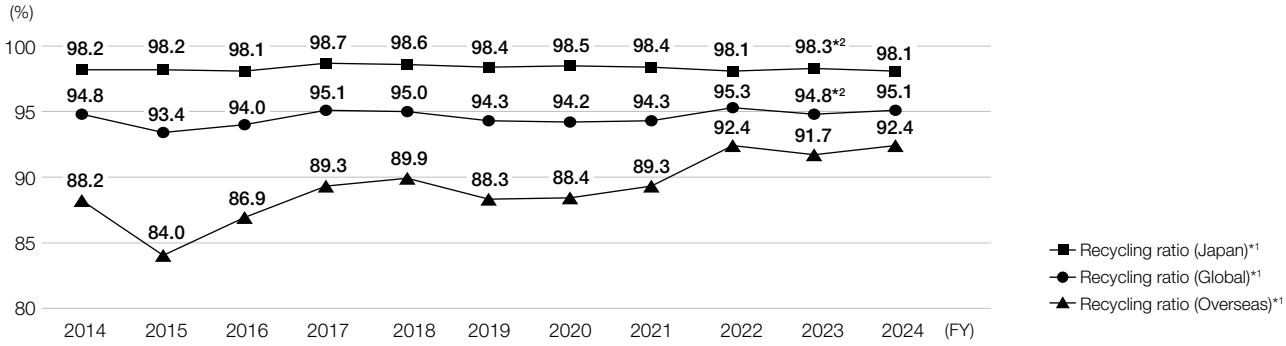
Trends in Waste, etc. (including valuable resources) and Waste Discharge per Unit of Sales



*1 Waste discharge = Resource recycling and Volume reduction + Landfill disposal
*2 To reduce overall emissions to the outside of the Group, including valuable resources, metal scraps generated at machinery production and related sites are collected for recycling at cast iron production sites within the Group. From FY2019, as a way of evaluating the progress of these activities, calculation standards have been changed so that transfer of valuable resources between business sites within the Group is no longer included in the valuable resources figure, but is counted instead as in-house recycling and reuse.
*3 Landfill disposal = Direct landfill disposal + Final landfill disposal following external intermediate treatment
*4 Figures for FY2023 have been revised in order to improve accuracy.
*5 Waste discharge per unit of consolidated net sales. The Kubota Group adopted International Financial Reporting Standards (IFRS) instead of accounting principles generally accepted in the United States of America from FY2018.

The recycling ratio in FY2024 was 98.1% in Japan, a decrease of 0.2 points from the previous year, but overseas improved by 0.7 points to 92.4%. Globally, it improved 0.3 points to 95.1%. We will make continuous efforts to improve the resource recycling ratio.

Trends in Recycling Ratio



*1 Recycling ratio (%) = (Sales amount of valuable resources + External recycling amount) / (Sales amount of valuable resources + External recycling amount + Landfill disposal) × 100.
External recycling amount includes heat recovery
*2 Figures for FY2023 have been adjusted in order to improve accuracy.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

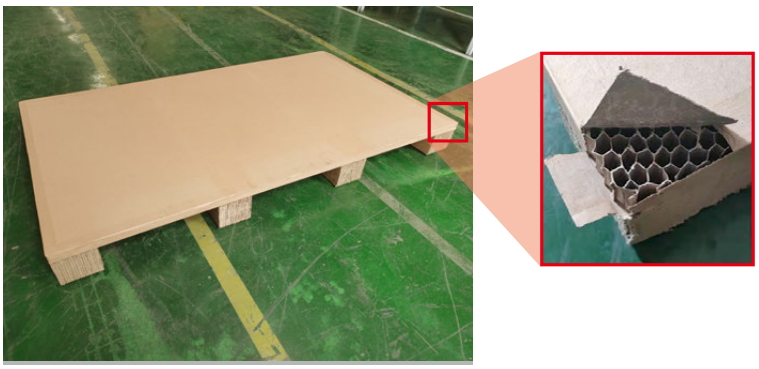
Measures to Reduce Waste

The Kubota Group has established the Medium-Term Environmental Conservation Targets (p.25-26) and is working to reduce the emissions of waste and hazardous waste and increase the resource recycling ratio at production sites. The Group has been promoting various measures, such as ensuring that waste is separated properly according to type and disposal method, switching to returnable packaging materials and recovering valuable resources, and utilizing recycled materials at sites. The Group is continuing to reduce the volume of sludge, waste oil, and oily wastewater generated from painting processes (by changing pre-treatments), as well as waste plastic generated from plastic molding processes. Meanwhile, as measures to reduce disposable plastics, we introduced initiatives at certain worksites to withdraw the use of disposable tableware in the employee cafeteria and reduce the issue of plastic shopping bags in on-site stores. In 2024, the Group was able to reduce wastes such as slag and dust, by approximately 3,800 tons by changing from cupola furnaces to electric furnaces at some sites.

As a result of the efforts toward achieving the Medium-Term Environmental Conservation Targets 2025 for waste reduction, global production sites achieved a reduction of 7,000 tons of waste in FY2024 compared with the case where countermeasures were not implemented from the previous year. The economic effects of these measures reached 58 million yen. Waste discharge per unit of production in FY2024 improved by 53.7% compared to the base year (FY2014). The recycling ratio was 99.5% at production sites in Japan and 95.7% at production sites overseas.

Moreover, production sites in Japan have raised the utilization rate of electronic manifests to 98.4%, enabling real-time assessment of the reduction effects. We will continue to promote the reduction of waste through encouraging sharing of good reduction practices and visualization of waste by utilizing electronic manifests.

Cardboard Pallets

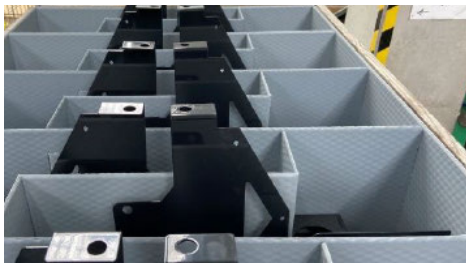


At the Kubota Sakai Plant (Japan), some of the wooden boxes and pallets used for test components imported from our Group company in China have been swapped for reinforced cardboard, helping to reduce wood scraps. Furthermore, we are taking steps to introduce reusable plastic pallets and to make wooden pallets returnable.

Examples of Collaboration with Other Companies

At Kubota Baumaschinen GmbH in Germany, the use of reusable containers is being trialed in collaboration with suppliers in order to reduce packaging waste. The volume of waste derived from packaging materials brought into the factory amounts to 444 tons annually. The materials used in packaging include cushioning materials, cardboard, and adhesive tape. The use of reusable containers will not only mean the company can cut down on waste, but it also benefits suppliers by enabling them to reduce the materials needed for deliveries.

(Before) Construction machinery parts delivered to the factory



(After) Parts housed in reusable containers

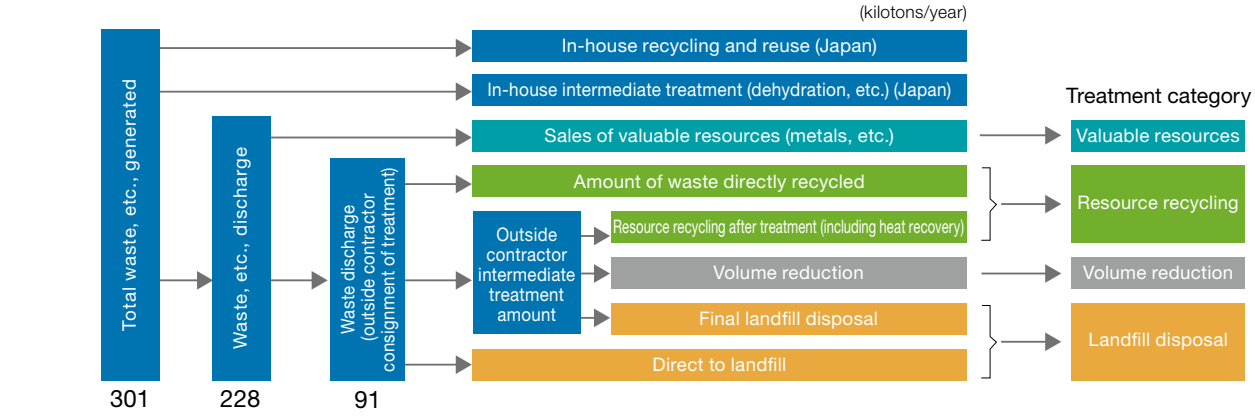
Waste Management

The Kubota Group monitors the status of waste discharge at all 195 of its companies (100%), and promotes appropriate waste management and reduction. Based on our medium-term environmental conservation targets, we have established and reviewed a management plan for reducing waste discharge every year. Moreover, we conduct environmental audits to confirm the status of legal compliance and identify points for improvement, share examples of waste reduction using our portal website, and conduct training on global waste management and discharge reduction as part of our environmental training.

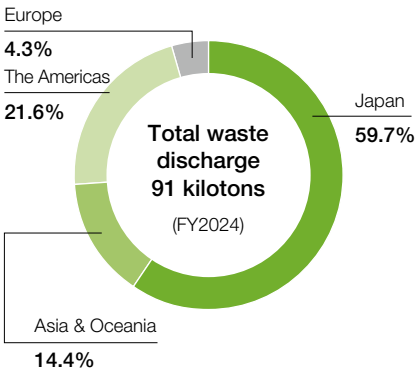
[Summary of waste management-related rules in environment-related rules and regulations]

- An environmental management system shall be established at all sites to systematically promote environmental conservation activities.
- A monitoring system for environmental conservation shall be developed at all sites so as to periodically carry out examinations and inspections.
- The amount of waste discharged at all sites in the course of business activities shall be assessed.
- Waste generated at all sites shall be sorted by type, and efforts shall be made to reduce it. Also, a plan to reduce waste discharge at all production sites shall be formulated, tracked, and revised every year.
- Waste storage and processing equipment shall be thoroughly managed (ensuring collection capacity, managing storage locations) at all production sites, while environmental pollution risks associated with waste shall be mitigated and environmental accidents prevented from occurring.

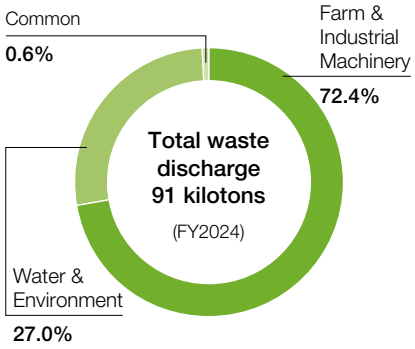
Waste Recycling and Treatment Flow (FY2024 results)



Waste Discharge by Region

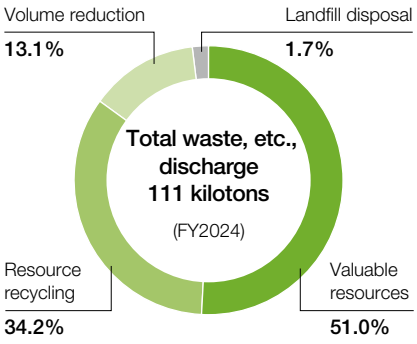


Waste Discharge by Business

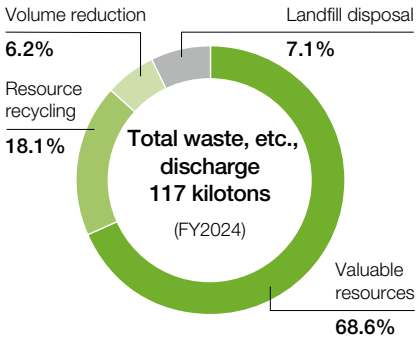


Waste, Etc., Discharge by Treatment Category

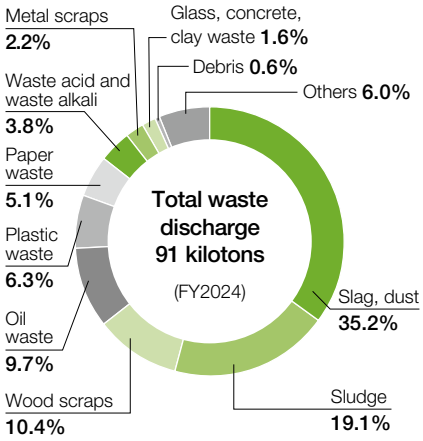
● Japan



● Overseas



Waste Discharge by Type



For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

Waste discharge amounts at each production site Click

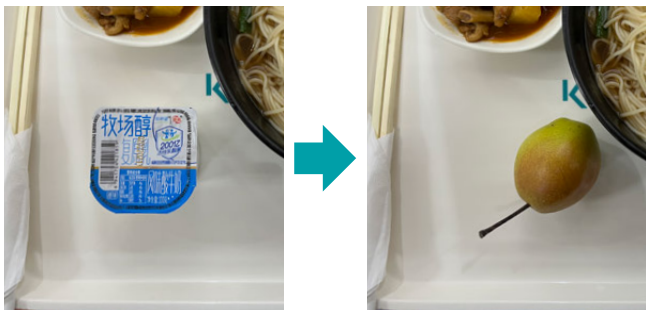
Improvement of Resource Efficiency

As the global population continues to increase and economic development progresses, resource consumption is expected to increase as well. Moreover, in recent years, marine plastic pollution has become a global problem, as used plastic flows onto beaches and into the sea via rivers and so forth. The Kubota Group has been contributing to the formation of a recycling-based society by promoting improvement of waste discharge per unit of production and increases in the recycling ratio at its global production sites in the Medium-Term Environmental Conservation Targets 2025. In tandem with this, we have also set targets for the 3Rs (Reduce, Reuse, and Recycle) of waste plastic generated by business activities, and reduction of packaging and paper resource use.

The Kubota Group will continue to improve resource efficiency through initiatives such as effective use of resources throughout the entire business value chain and reduction of waste.

● Reducing Plastic Waste

Based on the Medium-Term Environmental Conservation Targets 2025, we are reducing plastic use in our business sites, with a particular focus on single-use plastics. We are promoting efforts to reduce the use of plastic containers in cafeterias, plastic shopping bags at on-site stores, and PET bottle waste by encouraging people to bring reusable bottles.



At Kubota Agricultural Machinery (Suzhou) Co., Ltd. (China), we ran an initiative to swap individually packaged drinks for fruit during environment month in June in a bid to reduce plastic trash.

● Reducing Resource Usage in Packaging and Adopting Returnable Packaging

Based on the Medium-Term Environmental Conservation Targets 2025, we are collaborating with our business partners to reduce resource use in packaging materials and encourage adoption of returnable packaging in an effort to reduce waste discharge. At our business sites, we are promoting the replacement of stretch film and wooden pallets used for packaging components and so forth with reusable containers and packaging materials.

At Kubota Precision Machinery (Thailand) Co., Ltd., we reviewed our use of single-use cardboard and plastic film packaging in an effort to reduce waste and conserve labor resources.

● Transition to Paperless Operations

Under our Medium-Term Environmental Conservation Targets 2025, we are taking steps to transition to paperless operations with the goals of increasing operational efficiency and reducing environmental impacts. As workstyles have shifted from office work to telework (working from home) since the COVID-19 pandemic, we have promoted the adoption of electronic systems for internal request approvals and determinations, and a reduction in documents stored in paper format. Moreover, we have also promoted the effective use of office space and online meetings, enabling us to reduce the use of paper printouts. At our production sites, we have also made progress on switching to electronic check sheets and forms.

Handling and Storage of Equipment Containing PCB (in Japan)

Transformers, capacitors and other equipment containing polychlorinated biphenyls (PCB) are properly reported, stored and handled based on the Japanese Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes, and the Japanese Waste Management and Public Cleansing Law. Waste with a low concentration of PCB will be properly disposed of by the disposal deadline of March 2027.

PCB-containing equipment in storage is thoroughly managed by multiple means, such as the locking of storage cabinets, periodic inspection, and environmental audits.

Conserving Water Resources

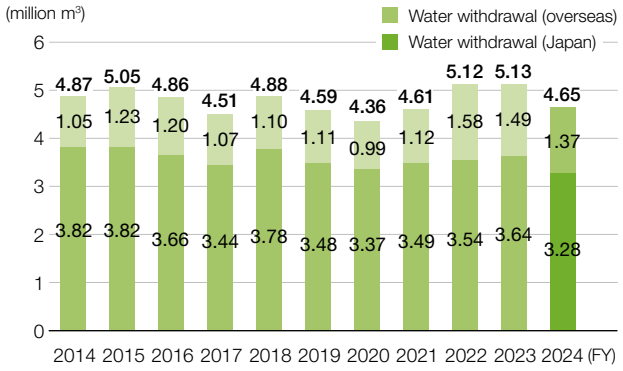
The OECD's 2012 report entitled Environmental Outlook to 2050 states that during the period between 2000 and 2050, global demand for water will increase by approximately 55% owing to economic development and population increase, while more than 40% of the world's population will be living in river basins that suffer from severe water shortages.

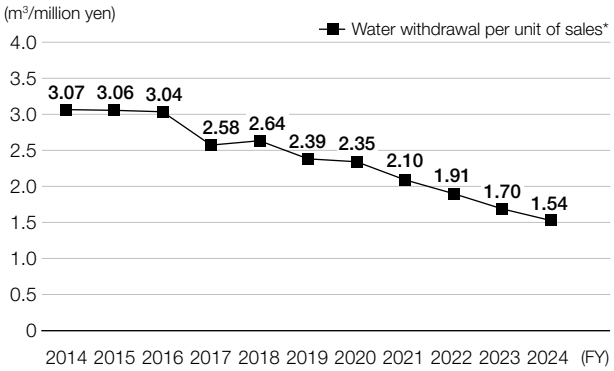
The Kubota Group sees conserving water resources as one of its materiality issues, and has been advancing initiatives to promote the effective utilization of water resources and to address water risks, such as the reduction of water withdrawal by promoting water saving and wastewater recycling, and the proper management of wastewater treatment and wastewater quality. Production sites promote measures to not cause adverse effects on local ecosystems and the lives of local residents, taking into consideration the status of water stress in the respective regions.

Water Withdrawal

In FY2024, water withdrawal was 4.65 million m^3, a decrease of 9.4% compared to the previous year. Water withdrawal per unit of sales also improved by 9.2% compared to the previous year. Due to changes in the production items and production processes at casting production sites, water withdrawal decreased markedly compared to the previous year. Water withdrawal per unit of sales also improved due to the decrease in water withdrawal.

Trends in Total Water Withdrawal and Withdrawal per Unit of Sales





* Water withdrawal per unit of consolidated net sales. The Kubota Group adopted International Financial Reporting Standards (IFRS) instead of accounting principles generally accepted in the United States of America from FY2018.

Measures to Reduce Water Withdrawal

The Kubota Group has established the Medium-Term Environmental Conservation Targets (p.25-26) and is working to reduce water withdrawal at production sites. Our production sites, such as those in China, Thailand, Indonesia and the United States, have introduced wastewater treatment facilities or wastewater recycling systems utilizing technologies of the Kubota Group.

In FY2024, we reduced water withdrawal mainly by stopping mist spraying during standby in washing facilities, thoroughly managing the extraction of well water in proportion to production volume, and replacing water-cooled compressors with air-cooled ones. As a result of the efforts toward achieving the Medium-Term Environmental Conservation Targets 2025 for water withdrawal reduction, global production sites achieved a reduction of approximately 125,000 m^3 in FY2024 compared to the case where countermeasures were not implemented from the previous year. The economic effects of these measures reached 3 million yen compared to the previous year. Water withdrawal per unit of production in FY2024 improved by 40.4% compared to the base year (FY2014).

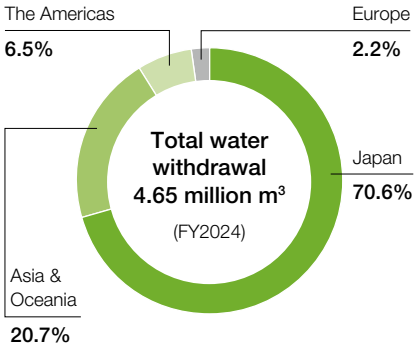
Initiative of Collaboration with Other Companies

In response to a demand from Osaka Ciy to improve the water quality of the Dotonbori River and the Higashi Yokobori River, we installed a state-of-the-art smart MBR sewage processing system, SCRUM, jointly developed by Kubota and Toshiba, at the Nakahama Sewage Treatment Plant. It has improved the efficiency of the aging plant and is contributing to water quality improvement by sending treated water into the Higashi Yokobori River.

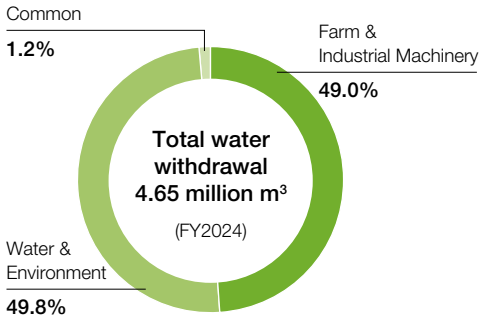
At the Nakahama Sewage Treatment Plan, waste water is treated using membrane bioreactor (MBR) treatment.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

Water Withdrawal by Region

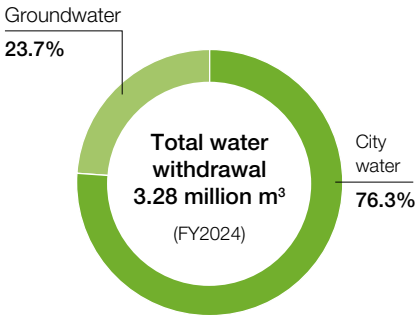


Water Withdrawal by Business

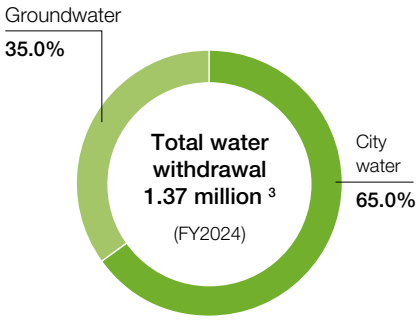


Water Withdrawal by Type

● Japan



● Overseas



Water withdrawal amounts at each production site Click

Water Management

The Kubota Group is committed to understanding, managing, and conserving water use at all of its 195 companies. Every year, our production sites draw up and revise a management plan for reducing the amount of water withdrawal, based on the Group's Medium-Term Environmental Conservation Targets. Measures are also being taken at all 73 production sites to thoroughly manage water quality and prevent environmental accidents. In addition, if the Group detects values exceeding its own control values, which are stricter than laws and regulations, an automatic shutdown system activates to control pollution risk to the surrounding environment and the Group manages its approach to curb the impact from its plants on the surrounding environment.

[Summary of water management in environment-related rules and regulations]

- An environmental management system shall be established at all sites to systematically promote environmental conservation activities.
- A monitoring system for environmental conservation shall be developed at all sites so as to periodically carry out examinations and inspections.
- The amount of water (service water, industrial water, groundwater, and recycled water) used and discharged at all sites in the course of business activities shall be assessed.
- Efforts shall be made to reduce the amount of water resources used at all sites. Also, a plan to reduce water withdrawal at all production sites shall be formulated, tracked, and revised every year.
- Water quality-related equipment shall be thoroughly managed (ensuring water treatment capacity, complying with design/management standards, maintenance/operation) at all production sites, while environmental pollution risks associated with such equipment shall be mitigated and environmental accidents prevented from occurring.

Controlling Water Discharge and Mitigating Water Risks

The Kubota Group has set its own control values that are stricter than the emission standards of relevant laws and regulations. To ensure that the standard values are not exceeded, the Kubota Group carries out regular measurement of designated monitoring items. Under the Medium-Term Environmental Conservation Targets 2025, the Group sets a target of managing water discharge appropriately in line with standards for the areas where wastewater is released by operating wastewater treatment and water recycling facilities.

The amount of water discharge*1, 2 in FY2024 was 5.02 million m³ (0.96 million m³ into surface water, 2.01 million m³ into seawater/ocean, and 2.05 million m³ into sewage), a decrease of 4.3% from the previous year. At each site, we promote the reduction of water withdrawal by taking measures to reduce the amount of water discharge.

We will continue to reduce the load on the local water environment through activities to manage water discharge and reduce water withdrawal.

Kubota Sakai Rinkai Plant (Japan)
Submerged-type FRP *johkasou*, decentralized wastewater treatment plants

*1 The amount of water discharge includes rain and spring water at some business sites.
*2 Certain estimated values are included in the calculation of water discharge.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

Controlling Chemical Substances

Chemical substances have become an essential part of our lifestyles. However, to control the impact of chemical substances on humans and ecosystems, countries are strengthening laws and regulations related to their use and management.

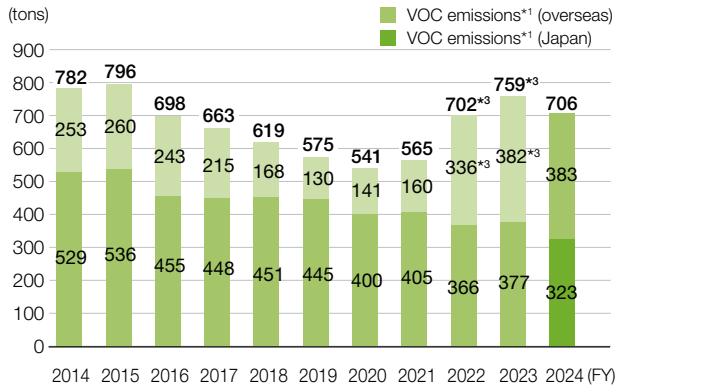
The Kubota Group sees controlling chemical substances as one of its materiality issues, and has been advancing initiatives toward reducing the burden on the environment from chemical substances, including the reduction of VOCs (volatile organic compounds) generated in coating processes at production sites, as well as the replacement of fluorocarbons and the prevention of leakage.

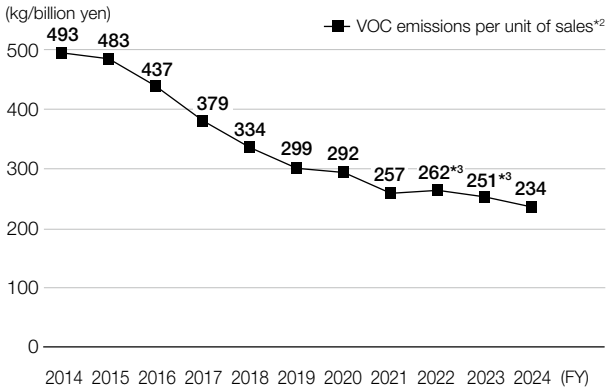
VOC Emissions

In FY2024, VOC emissions were 706 tons, a decrease of 7.0% compared to the previous year. Also, VOC emissions per unit of sales improved by 6.8% year on year.

In Japan, VOC emissions decreased by 54 tons owing to a decrease in production volume at casting and machinery production sites that use a large amount of VOCs. Overseas VOC emissions remained nearly flat, increasing by only 1 ton. VOC emissions per unit of sales improved as emissions decreased.

Trends in VOC Emissions and Emissions per Unit of Sales





*1 VOCs refer to the substances that are most prevalent in the emissions of the Kubota Group. Up until FY2022, there were six substances: xylene, toluene, ethylbenzene, styrene, 1, 2, 4-trimethylbenzene, and 1, 3, 5-trimethylbenzene. Since FY2023 there have been five substances: xylene, toluene, ethylbenzene, styrene, and trimethylbenzene.
*2 VOC emissions per unit of consolidated net sales. The Kubota Group adopted International Financial Reporting Standards (IFRS) instead of accounting principles generally accepted in the United States of America from FY2018.
*3 Figures for FY2022 and FY2023 have been adjusted in order to improve accuracy.

Measures to Reduce VOCs

The Kubota Group has established the Medium-Term Environmental Conservation Targets (p.25-26) and is working to reduce the emissions of VOC at production sites. The Group has been promoting the risk management of the chemical substances we handle and the reduction of VOC-containing materials, such as paint and thinner. Especially in the painting process, not only have we reduced the amount of wasted paint by improving the efficiency of coating, but we are making every effort to stabilize VOC removal efficiency at sites that have deodorization equipment.

In FY2024, we took steps to reduce the amount of paint used, switch to less VOC paints, and recover and recycle thinner.

As a result of the efforts toward achieving the Medium-Term Environmental Conservation Targets 2025 for VOC reduction, global production sites achieved a reduction of 23 tons in FY2024 compared to the case where countermeasures were not implemented from the previous year.

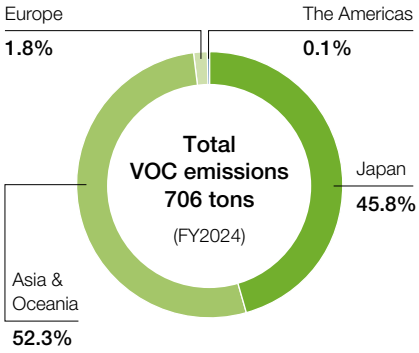
Kubota Engine (WUXI) Co., Ltd. (China) has installed a regenerative thermal oxidizer (RTO) and is working to reduce its VOC emissions.

VOC emissions per unit of production in FY2024 improved by 42.5% compared to the base year (FY2014).

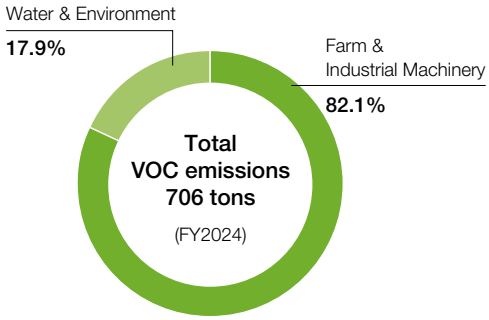
We will continue to promote the reduction of VOC emissions by introducing exhaust treatment equipment that is conscious of compliance with laws and the reduction of impacts on neighborhoods, in addition to the efforts to stop the use of VOC-containing paint and thinner or replace them with substitutes.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

VOC Emissions by Region

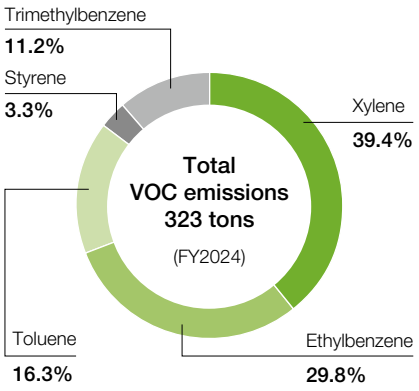


VOC Emissions by Business

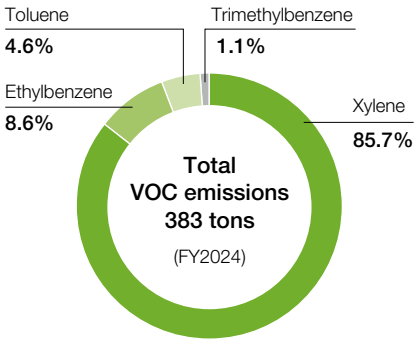


VOC Emissions by Substance

● Japan



● Overseas



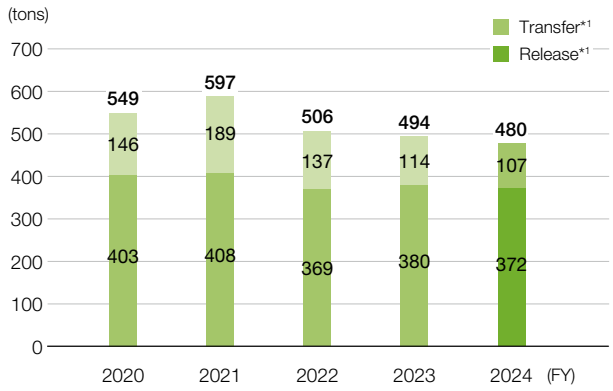
VOC emission amounts at each production site Click

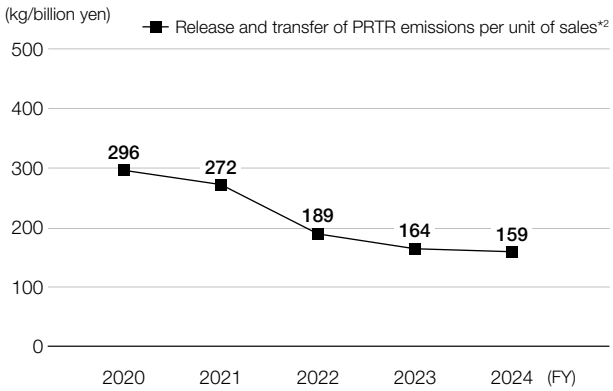
Release and Transfer of PRTR-designated Substances

In FY2024, a total of 480 tons of substances stipulated in the PRTR Law* were released and transferred, a decrease of 2.9% compared to the previous year. Additionally, the release and transfer per unit of sales improved by 2.8% compared to the previous year. Similar to reduction of VOC emissions, the Group is promoting the ongoing measures to reduce PRTR-designated substances.

* Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Trends in Release and Transfer of PRTR-designated Substances, and Release and Transfer per Unit of Sales (Japan)





*1 Total amount of reported substances that are handled at each site (annual volume of 1 ton or more (or 0.5 tons for Specific Class I designations))
*2 Release and transfer of PRTR-designated substances per unit of consolidated net sales. The Kubota Group adopted International Financial Reporting Standards (IFRS) instead of accounting principles generally accepted in the United States of America from FY2018.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

Control of Ozone-depleting Substances

The Kubota Group prohibits specified CFCs, which are ozone-depleting substances, from being contained in products or added*1 in manufacturing processes of products. In Japan, replacement of materials containing dichloropentafluoropropane with substitute materials was completed during FY2016, and no ozone-depleting substances subject to notification under the PRTR Law*2 are handled and released at present.

In Japan, CFCs that are used in air-conditioners and refrigerating or freezing equipment as refrigerant, are thoroughly managed to control leakage, in accordance with the standards specified by the Fluorocarbons Emission Control Law*3.

*1 For HCFC, intentional adding in products as refrigerant or heat insulator is prohibited.
*2 Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements in the Management Thereof
*3 Act on the Rational Use and Proper Management of Fluorocarbons

Control of Air Pollutants

The Kubota Group has set its own control values that are stricter than the emission standards of relevant laws and regulations. In order not to allow the exceeding of standard values, the Group implements thorough daily management activities, such as monitoring operation of the smoke and soot-generating facilities and inspecting the dust-collecting equipment.

The amounts of emissions of air pollutants in FY2024 were 5.2* tons for SOx (down 6.1% from the previous year), 67.2 tons for NOx (up 6.8%), and 50.0 tons for soot and dust (up 26.7%). We will continue to reduce emissions of air pollutants through initiatives such as controlling sources by fuel conversion and maintaining dust-collecting equipment.

* At a site in Japan, sulfur emissions are calculated, not from actual measurements of exhaust gas concentrations and amounts, but by making estimates based on the sulfur weights of raw materials, materials produced, and waste.
(Atmospheric emissions = coal input - iron produced - waste slag - waste dust)

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

Monitoring Groundwater

Results of groundwater measurements conducted on the premises of the business sites that used organic chlorine-based compounds in the past are as shown below.

Groundwater monitoring (FY2024)

Business site	Substance	Measured groundwater value	Environmental standard
Kubota Tsukuba Plant	Trichloroethylene	Non-detected (less than 0.0001 mg/L)	Less than 0.01 mg/L
Kubota Utsunomiya Plant	Trichloroethylene	Non-detected (less than 0.001mg/L)	Less than 0.01 mg/L

Reduction of Chemical Substances Contained in Products

The Kubota Group has set rules for identifying and properly managing chemical substances in products in order to comply with REACH Regulations* in Europe and other chemical substance regulations.

Since 2010, chemical substances in products have been classified as one of the three following categories and managed appropriately. With cooperation from our suppliers, we investigate chemical substances in products on a global basis.

* The European Union (EU) Regulations for Registration, Evaluation, Authorization and Restriction of Chemicals

● Three Control Levels

1. Substances to be Prohibited: Should not be contained in products
2. Substances to be Restricted: Should not be contained in products under certain conditions and applications
3. Substances to be Controlled: Presence in products should be recognized

Conserving Biodiversity

Our corporate activities rely on various ecosystem services, which are provided by natural capital comprising soil, air, water, animals and plants, and other elements. Meanwhile, biodiversity is facing various crises in different locations worldwide, therefore corporations are required to do their part in protecting biodiversity and making sustainable use of ecosystem services.

The Kubota Group sees conserving biodiversity as one of its materiality issues. In its corporate activities, provision of products and services, and social contribution initiatives, in view of the impact on natural capital, the Group is endeavoring to ensure that care is taken to conserve biodiversity and protect the natural environment.

Taking this into account and beginning with our Medium-Term Environmental Conservation Targets 2025, we have started establishing targets for biodiversity conservation activities in accordance with the characteristics and business operations of each site. We are currently monitoring the progress of these activities.

Approach to Conserving Biodiversity

The Kubota Group has set Conserving Biodiversity as one of the five basic items for environmental conservation. In December 2009, we incorporated corporate activities that consider biodiversity into the Kubota Group Environmental Action Guidelines.

Approach to Conserving Biodiversity and Natural Capital

The Kubota Group has included Conserving Biodiversity as one of the five basic items for environmental conservation. In its corporate activities, provision of products and services, and social contribution initiatives, in view of its impact on natural capital, the Group will endeavor to ensure that care is taken to conserve biodiversity and protect the natural environment.

[Major Initiatives]

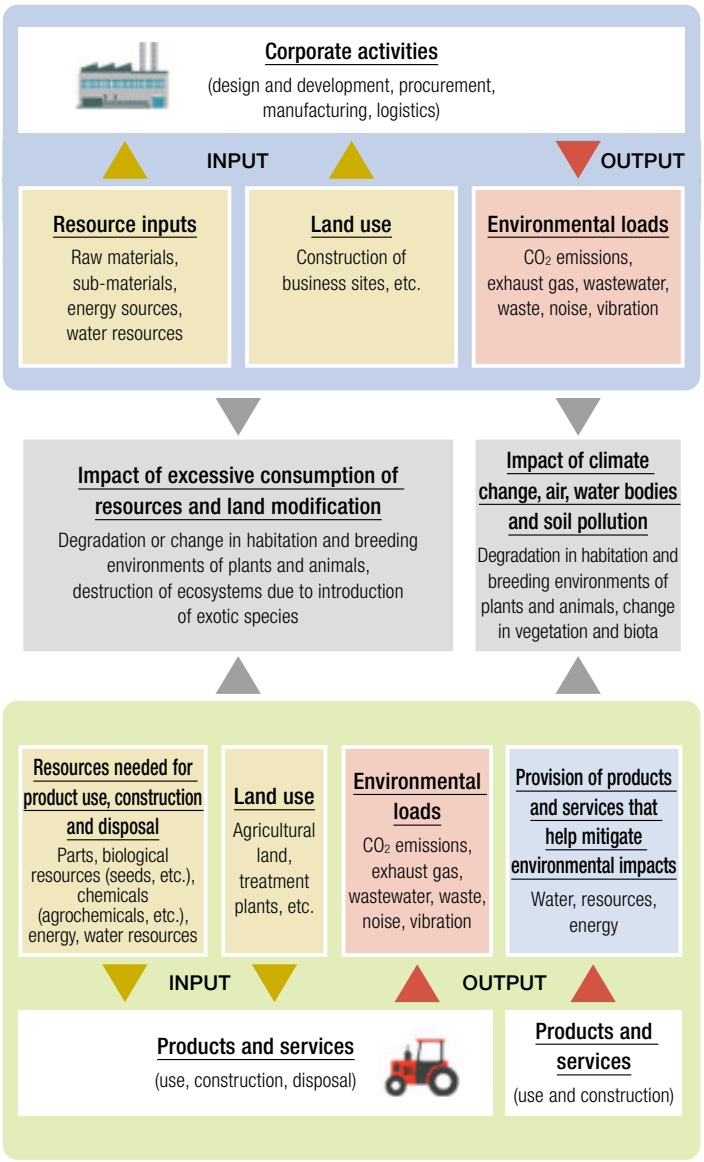
1. Corporate activities
   1) At the design and development stage, we conduct product environmental assessments to evaluate the impact on natural capital.
   2) At the procurement stage, we present our Green Procurement Guidelines to our suppliers and require them to give consideration for biodiversity.
   3) At the production and logistics stages, we strive to reduce the environmental loads and environmental risks associated with operations at our sites and transport of materials.
   4) As part of our environmental management, we conduct environmental education and awareness-raising for employees to foster their recognition of the value of biodiversity and the importance of conservation activities.
   5) We evaluate our dependence and impact on natural capital in each value chain of our corporate activities, and make efforts to disseminate information about topics such as our biodiversity conservation activities.
2. Provision of products and services
   1) By providing products and services with less environmental loads through fuel efficiency and exhaust gas purification, for example, we strive to lessen our impact on biodiversity.
   2) By providing water environment solutions such as wastewater treatment and waste treatment, we contribute to improving the ecosystems and nurturing environment for plants and animals.
   3) By providing products and services that contribute to the development of urban infrastructure with consideration for smart agriculture and the environment, we contribute to the sustainable use of ecosystem services and the suppression of deforestation for the expansion of farmland.
   4) We endeavor to provide products and services that contribute to improving crop yields to suppress deforestation.
3. Social contribution activities
   1) Through our social contribution activity the Kubota e-Project supporting reclamation of abandoned farmland and conservation activities in rural and forest areas, we are promoting protection of the natural environment.
   2) We are promoting the beautification and greening of business sites and neighborhoods as well as protection of plants and animals.

Evaluating our Relationship with Biodiversity

According to the World Economic Forum, the loss of biodiversity currently ranks alongside climate change-related risks as one of the most severe global risks. Corporations are being urged to take action to mitigate and reverse the loss of biodiversity, or in other words, transition to a "nature-positive" approach to their business activities. In these circumstances, a number of international initiatives and frameworks are being developed, one of which is the Taskforce on Nature-related Financial Disclosures (TNFD). The recommendations of the TNFD—released in September 2023—call on companies to identify the scope of their corporate activities, to evaluate what kind of biodiversity and natural capital their business activities are dependent upon in each region, as well as the impacts thereof, and to analyze how those impacts represent risks and opportunities for their initiatives.

The chart below shows an overall picture of how the Kubota Group's corporate and social contribution activities are related to biodiversity.

Relationship between the Kubota Group's activities and biodiversity



Management and reduction of environmental loads involved with corporate activities

Reduce environmental loads due to the Kubota Group's corporate activities, consider the impact on biodiversity

- **Green procurement**
- **Environmental impact assessment on land use**
- **Mitigating and adapting to climate change** (energy conservation, etc.)
- **Working toward a recycling-based society** (conserve resources, 3Rs for waste, etc.)
- **Conserving water resources** (3Rs for water resources, etc.)
- **Controlling chemical substances** (reduce the use of substances of concern, reduce VOC emissions, etc.)
- **Environmental Management** (prevent air, water bodies and soil pollution, provide employees with environmental training, etc.)

Contributions through social contribution initiatives

Collaborate with NPOs, etc., work for protection of the natural environment

- **Kubota e-Project** (supporting reclamation of abandoned farmland, Kubota Forest, nature experiences for elementary school students, etc.)
- **Kubota e-Day** (environmental beautification volunteers)
- **Greening our establishments, inside and outside and establishing a biotope**
- **Promoting conservation of the local natural environment and conservation of biodiversity**
- **Clean-up activities around business sites**

Impact reduction and environmental contributions through products and services

Reduce the impact of the use, construction and disposal of products and services, contribute to preservation of biodiversity and use of sustainable ecosystem services.

[Impact reduction]

- **Product environmental assessment**
- **Develop environmentally conscious products** (energy saving, resource conserving, prevent air, water bodies and soil pollution, etc.)

[Contributions]

- **Provide water environment solutions for wastewater treatment and waste disposal treatment, etc.**
- **Provide products and services for smart farming and establishment of urban infrastructure considering the environment**

Disclosure in Accordance with the TNFD Recommendations

The Kubota Group expressed its support for the TNFD* recommendations in February 2024.

* Taskforce on Nature-related Financial Disclosures

TNFD Recommendations

The Taskforce on Nature-related Financial Disclosures (TNFD) published its recommendations in September 2023 with the aim of providing a framework for companies to understand their dependence on natural capital and their impact on the natural environment, and to disclose this information appropriately. Like the recommendations of the TCFD, TNFD recommendations consist of (1) governance, (2) strategy, (3) risk and impact management, and (4) metrics and targets. They call on companies to independently gauge and disclose information related to these four areas. Kubota is engaged in the manufacturing of mainly agricultural machinery, construction machinery, and iron pipes for water supply systems. We also operate businesses in sectors that are indispensable to people's livelihoods, including food production, water management, and the construction of urban and living environments. These business activities are dependent on natural capital (land, water, air, biodiversity, etc.) and at the same time, may also have an impact on them. As such, business risks and opportunities potentially exist in connection with our use of natural capital. The Kubota Group will continue to address issues relating to natural capital and make every effort to enhance its information disclosure.

The status of the Group's disclosures related to the TNFD recommendations is as follows.

Disclosure Items in the TNFD Recommendations	Relevant Section (excluding TNFD disclosures)	Page
Governance		
A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	Environmental Management Promotion System, Corporate Governance System	P27 P160
B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	Environmental Management Promotion System	P27
C. Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	Environmental Communication, Respecting Human Rights, Corporate Governance System	P83 P101 P160
Strategy		
A. Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term.	Environmental Management Approach —Materiality in Environmental Management, Environmental Management Approach —Risks and Opportunities	P18 P19
B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	Environmental Management Approach —Risks and Opportunities, Environmental Management Approach —Key Measures, Disclosure in Accordance with the TCFD Recommendations	P19 P20 P34
C. Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	Environmental Vision, Disclosure in Accordance with the TCFD Recommendations, Expanding Environment-conscious Products and Services	P21 P34 P73
D. Disclose the locations of assets and/or activities in the organization's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	Site Report	Click
Risk and Impact Management		
A(i) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations.	Environmental Management Approach —Materiality in Environmental Management	P18
A(ii) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	Environmental Management Approach —Materiality in Environmental Management	P18
B. Describe the organization's processes for managing nature-related dependencies, impacts, risks and opportunities.	Environmental Management Promotion System, Expanding Environment-conscious Products and Services, Internal Control System, Internal Control System—Internal Control System Operation Activities (Risk Management Activities)	P27 P73 P177 P178
C. Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes.	Environmental Management Promotion System, Corporate Governance System, Internal Control System	P27 P160 P177
Metrics and Targets		
A. Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	K-ESG Management to Realize the Long-Term Vision "GMB2030"	P7
B. Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.	Medium- and Long-Term Environmental Conservation Targets and Results	P24
C. Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	Medium- and Long-Term Environmental Conservation Targets and Results, K-ESG Management to Realize the Long-Term Vision "GMB2030"	P24 P7

Disclosure in Accordance with the TNFD Recommendations

Governance

We recognize that issues related to natural capital, including biodiversity, are just as important as climate change in implementing ESG management. When it comes to external environmental issues that may pose a risk to management, we employ governance measures under the same system and framework used to address other ESG issues (please refer to Disclosure in Accordance with the TCFD Recommendations—Governance on page 35). GHG emissions are also linked with production volume. Increases in production volume are also linked to increases in waste and pollutant discharges. If discharges into the environment increase, they can have an impact on ecosystems and climate change. We have set targets for reducing our environmental impacts, and reports to directors and executive officers on the status of progress on these targets. In particular, GHG emissions are one of the Kubota Group's material issues for ESG, and progress on emissions reduction is reflected partially in executive compensation.

Governance of TNFD-related issues

- Monitoring of progress on targets concerning natural capital
- Integration into the executive compensation system according to progress
- Board oversight of progress on initiatives
- Engagement activities with stakeholders

Commitment on Natural Capital (Biodiversity and Suppression of Deforestation)

We aim to have all Kubota Group employees share in our corporate principles, which we refer to as the Kubota Global Identity, so as to contribute to society (stakeholders) by undertaking corporate activities through which every individual fulfills their role and responsibilities. We have established a Charter for Action and a Code of Conduct so that we can aim to achieve the continued mutual development of society. Agriculture is reliant on many different types of natural capital, including living resources and water resources. Cutting down forests to make way for more farming land leads to the reduction of habitats and ecosystems, and potentially affects crop yields. Moreover, water resources are indispensable to not only agriculture, but people's livelihoods. Agriculture in which our tractors and other products are used is impacted by natural capital, however we believe our products can contribute to the conservation of natural capital, mainly by improving crop yields, which in turn limits the need for more farmland and deforestation. Accordingly, as demonstrated in our Code of Conduct, the Kubota Group is committed to helping solve various environmental issues, such as protecting biodiversity, suppressing deforestation, and efficiently using water resources by leveraging the products, technologies, and services we provide. We are also committed to carrying out business activities in a way that does not negatively affect the natural environment or wildlife habits around our production sites.

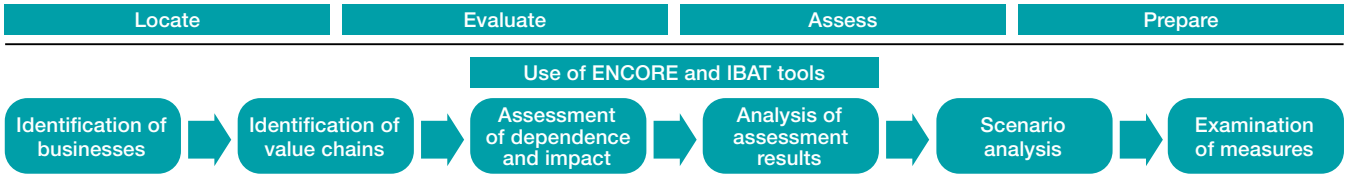
Strategy

Identifying and Assessing Nature-related Risks

We do business globally in the three fields of food, water, and the environment, and it is our mission to contribute to solving issues in society. These three business fields are supported by many different forms of natural capital, such as living organisms, plants, water resources, and minerals. In order for us to continue to do business globally, we believe we must pursue sustainable management that balances our business operations with the protection of natural capital. So that we can carry out sustainable business practices, we are currently identifying and assessing nature-related risks and the like in our business value chains.

We used the LEAP approach and the ENCORE tool to qualitatively assess our Farm & Industrial Machinery business and Water & Environment business in terms of their relationships and priorities with nature. We categorized the Farm & Industrial Machinery business into upstream (component production), midstream (in-house manufacturing), and downstream (irrigation/rain water farming with agricultural machinery, construction in urban areas with construction machinery). Similarly, we categorized the Water & Environment business into upstream (iron & steel production), midstream (construction materials production), and downstream (water supply services with the use of water infrastructure, environmental services at waste treatment facilities). And we used a heatmap to show the dependence and impact on natural capital in each value chain. Also, we conducted a qualitative assessment at the regional level (Japan, China, Asia, North America, and Europe) for items with a high level of dependence or impact, while for natural capital identified as important, we performed a scenario analysis and explored strategies to mitigate risks and minimize impacts.

Process for Identifying and Assessing Nature-related Risks and Opportunities



LEAP Approach

The TNFD has developed an integrated assessment process for nature-related risk and opportunity management called the LEAP approach. An assessment with the LEAP approach comprises four steps: (1) "locate" your interface with nature; (2) "evaluate" your dependencies and impacts; (3) "assess" your risks and opportunities; and (4) "prepare" to respond to nature-related risks and opportunities and report.

The four steps of the LEAP approach

Locate	Evaluate	Assess	Prepare

For more information about the TNFD Click

Disclosure in Accordance with the TNFD Recommendations

ENCORE

ENCORE (an acronym for Exploring Natural Capital Opportunities, Risks, and Exposure) is an analytical tool for revealing how economic activities are dependent on natural capital and whether or not they are impacting nature. By selecting the industry sectors and production processes that best represent their operations, a company can identify how much of an impact they have on natural capital and the factors behind it, as well as their level of dependence on different types of natural capital.

Assessment item	Description
Dependence	Companies can grasp how reliant a selected production process is on certain ecosystem services (21 categories)
Impact	Companies can grasp how much of an impact certain factors, known as impact drivers (11 categories), have on the natural capital in a selected production process
Natural capital	Companies can grasp which categories of natural capital (8 categories) they are reliant on or have an impact on

Risk and Impact Management

We recognize that issues related to natural capital, including biodiversity, are just as important as climate change in implementing ESG management. When it comes to external environmental issues that may pose a risk to management, like other ESG issues, we integrate and manage nature-related risks and impacts within the framework of our Company-wide risk management system. We are also endeavoring to mitigate the impacts of identified risks and expand opportunities. (Please refer to Disclosure in Accordance with the TCFD Recommendations—Risk Management on page 37)

TNFD-related risk management process

- Identifying and assessing risks and impacts in the overall value chain (direct operations and upstream/downstream processes)
- Setting management indicators and targets for identified risks and opportunities
- Grasping the progress of initiatives
- Evaluating initiatives and examining measures
- Identifying and managing serious risks

Metrics and Targets

We have established targets that aim to mitigate risks and expand opportunities related to the conservation of natural capital and biodiversity. We are currently implementing initiatives in order to achieve these targets. The risks and opportunities identified with the TNFD's strategy are broadly classified into those related to production site activities and those related to products. For the risks and opportunities pertaining to production site activities, we have set medium- and long-term environmental conservation targets for each site and we are managing the progress of initiatives implemented. For the risks and opportunities related to products, we have matched them to our items of business materiality in ESG management. By providing agricultural solutions, water resources and waste solutions, and urban and living environment solutions, we will look to contribute to the conservation of natural capital. We are currently exploring what kind of targets to adopt for our products (please refer to Materiality Objectives and Indicators on page 9).

Going forward, we will continue to press ahead with initiatives that lead to the conservation of natural capital, mainly through global environmental protection activities and our business operations.

Natural Capital-related Targets for Production Site Activities

For results, please refer to Medium- and Long-Term Environmental Conservation Targets and Results (P24 -25).

Issue	Management indicator	Relevant factor or ecosystem service	Base FY	Target for FY2025	Target for FY2030	Target for FY2040
Mitigating and Adapting to Climate Change	Reduce CO_2 (Scopes 1, 2)	GHG emissions	2014	—	▲50%	▲75%
			2023	—	▲30%	—
	Ratio of renewable energy usage	GHG emissions	—	20% or more	60% or more	—
	CO_2 emissions per unit of production (Scopes 1, 2)	GHG emissions	2014	▲45%	▲60%	—
	Energy consumption per unit of production	GHG emissions	2014	▲35%	▲45%	—
Working towards a Recycling-based Society	Waste discharge per unit of production	Waste	2014	▲45%	▲60%	—
	Hazardous waste discharge per unit of production	Waste	2019	▲17%	▲35%	—
	Recycling ratio (Japan)	Waste	—	99.5% or more	96% or more (Global)	—
	Recycling ratio (Overseas)	Waste	—	90.0% or more		—
	Reduce disposable plastics at business sites	Waste	—	—	—	—
	Work with suppliers to conserve packaging materials and make them returnable	Waste	—	—	—	—
	Implement paperless operation	Waste	—	—	—	—
Conserving Water Resources	Water withdrawal per unit of production	Water use, water circulation, surface water, groundwater	2014	▲35%	▲45%	—
	Manage wastewater appropriately in accordance with standards for the areas where wastewater is discharged	Water quality and soil contamination	—	—	—	—
Controlling Chemical Substances	VOC emissions per unit of production	Water quality and soil contamination	2014	▲42%	▲42%	—
Conserving Biodiversity	Promote the protection of the natural environment and biodiversity at our sites	Water quality and soil contamination	—	—	—	—
	Promote the protection of the local natural environment and the conservation of biodiversity	Water quality and soil contamination	—	—	—	—
Improving Products' Environmental Performance	Sales ratio of Eco-Products	Multiple indicators	—	70% or more	80% or more	—
	Usage ratio of recycled materials	Waste	—	70% or more	—	—

Disclosure in Accordance with the TNFD Recommendations

Scenario Analysis

❶ Natural capital scenario analysis in each business field

Locate: Relationships with natural capital in areas of business activities

Relationships with natural capital in the food business field

Our rice transplanters and combine harvesters are widely used in the production of specialty crops grown in particular regions and climatic conditions, unlike the usual crops of rice, large-scale grains, or soybeans. It is estimated that rice cultivation in Japan, China, and other parts of Asia accounts for more than 90% of global production. Specialty crops are widely grown in Asia, Europe, and the Americas. By the year 2050 the world's population will be close to 10 billion, a large percentage of which will be in emerging countries. Accordingly, demand for food is expected to increase and the securing of crop yields will likely become a key challenge for society.

The use of agricultural water and suitable soil in particular is integral to rice cultivation, dry field farming, and fruit growing. Fertile soil has an impact on crop harvests, while the excessive use of pesticides can have a detrimental effect on soil ecosystems. Population growth and economic development are expected to drive increases in demand for water, so securing enough water for irrigation will be critical. Also, the relocation of suitable farming land owing to droughts, warmer temperatures, fluctuations in rainfall, and other weather events caused by climate change will lead to the clearing of new farming land. Forests absorb CO_2 and have a regulating effect on air temperature, but slash-and-burn cultivation and the clearing of forests to open up more farmland can encroach upon the habitats of plants and animals.

Relationships with natural capital in the water & environment business field

Torrential rainfall and other weather disasters seen around the world in recent years are expected to grow more frequent in the future. Extremely abnormal weather events not only have an impact on human society, but they also deprive living things of their habitat and significantly affect ecosystems. Some regions around the world currently face concerns of water scarcity due to climate change, excessive water use, or poor management of water resources. For example, even though Japan has built sophisticated water supply infrastructure and has well-developed water and sewerage networks in place, increased water consumption in urban areas means that securing enough water for irrigation has become a key challenge. In the rapidly developing regions of Asia too, population growth and urbanization, wastewater from industries and farming, and increases in household wastewater have led to concerns about water scarcity and deteriorating water quality, a situation that may place constraints on the availability of safe and usable water resources.

Also, the mining of rare metals and other mineral resources can negatively impact different aspects of natural capital, including soil contamination, water quality, and ecosystems. For instance, concerns have been raised about the use of phosphorus as an ingredient in fertilizer because mineral phosphate mining has the potential to degrade water quality and contaminate the soil. The impacts on natural capital therefore must be mitigated through the sustainable use of resources.

Relationships with natural capital shared by both businesses

The manufacturing of products is reliant on water because it is essential to cleaning processes, the cooling of equipment, and day-to-day use by employees. The Kubota Group has production sites in 17 countries. Water stress varies depending on the region and there exists the possibility that access to safe water needed for business activities and daily life could become difficult. This could potentially affect our business operations.

In light of the above, our business activities are deeply intertwined with natural capital, so in order to expand our operations in the future, we believe we must take natural capital into consideration along with adopting measures to fight climate change.

Relationships Between Business Activities and Natural Capital

Related business activity	Regions thought to have a strong connection to natural capital	
Food business field	Rice growing regions	Asia
	Dry farming and fruit growing regions	Asia, Europe, Americas
Water & environment business field	Water stress regions	Asia
	Regions dependent on natural resources	Japan
Production sites	Water stress regions	Asia, Europe, Americas

Evaluate: Results of risk assessment (1) — ENCORE analysis

The Locate analysis confirmed the business fields in which our operations are deeply intertwined with natural capital. Using ENCORE, the analytical tool recommended by the TNFD, we grouped our business fields into upstream, midstream, and downstream processes and used a heatmap to show dependence and impacts on natural capital.

In our machinery business, we have learned that agricultural practices at our customer's sites can affect land, water resources, and the quality of water and soil. At the same time, agriculture itself may rely on these resources. We have also found that agriculture, much like in the TCFD assessments, is heavily dependent on weather conditions. However, we expect construction machinery to be used in cities, so its impact on ecosystems is considered to be relatively low. Moreover, the analysis demonstrated that the atmosphere is impacted by GHG emissions generated during the use of agricultural and construction machinery.

In our water-related businesses, we have learned that our operations rely particularly on the effective use of water resources and water quality. Meanwhile, we think that the impact and dependency of our operations on natural capital is relatively low in the environmental business because it contributes to the effective use of resources through waste material treatment.

The analysis revealed that production activities carried out in both businesses have particular impacts and dependency on water resources. Water used in production processes that was treated prior to being discharged could potentially impact the natural environment and we recognize that our operations rely on the supply of water, which is indispensable to product manufacturing processes and day-to-day use by employees. Our business activities could also have an impact on the surrounding environment if an accident occurs at one of our production sites where a furnace is located. The analysis also indicated that GHG emissions and the generation of waste may impact the natural environment.

Assessment of Impacts and Dependency on Natural Capital in the Value Chain Based on ENCORE Analysis Results

Business	Value chain		Factors impacting natural capital (impact drivers)							Dependent ecosystem services								
			Fresh water ecosystems	Terrestrial ecosystems	Water use	Water pollution	Soil pollution	Solid waste	GHG emissions	Storm buffering	Ground stabilization	Water circulation	Surface water	Groundwater	Pollination	Water quality	Soil quality	Weather conditions
Farm & Industrial Machinery	Upstream	Component manufacturing	-	-	H	H	H	H	H	M	M	M	M	M	-	L	-	VL
	In-house production		-	-	H	H	H	H	H	M	M	H	H	M	-	L	-	VL
	Downstream	Irrigation farming	VH	VH	VH	H	H	-	H	H	H	H	VH	VH	H	H	H	H
		Rain-fed farming	-	VH	-	H	H	-	H	H	H	VH	M	-	H	VL	H	H
		Construction work	M	M	M	M	M	H	H	M	M	M	M	M	-	-	L	H
Water & Environment	Upstream	Steel production	-	-	H	-	-	H	H	-	-	M	M	M	-	-	-	VL
	Production of construction materials		H	H	H	M	-	H	H	-	-	-	VH	VH	-	L	-	-
	Downstream	Water supply services	-	-	-	L	L	-	-	-	L	VH	VH	VH	-	H	M	M
		Environmental services	-	-	-	-	-	M	-	-	-	-	VL	VL	-	-	-	-

Evaluate: Results of risk assessment (2) — regional water stress analysis

An analysis with the use of ENCORE revealed that our production activities are dependent on water resources. Also, in order to identify the risks related to the use of water resources at our production sites and to find effective responses to such water risks, we conducted surveys concerning water stress* for all of our production sites. The results of a survey on water stress level of a total of 73 sites in 17 countries using Aqueduct (water risk assessment tool developed by the World Resource Institute (WRI)) are as follows:

* Water stress refers to the state where the annual water availability per capita is less than 1,700 tons and people feel inconvenience in their daily life. Water stress in this survey is the water stress for each river basin, which is calculated based on the ratio of water intake to the amount of available water resources. (World Resources Institute (WRI))

Results of the Survey on Water Stress of Production Sites (FY2024)

Region, country		Water withdrawal by water stress level (thousand m^3) <number of sites>				
		High	High-Middle	Middle	Middle-Low	Low
Asia	Japan	0	0	1,679 <10>	1,339 <15>	1 <1>
	China	67 <1>	0	17 <2>	0.4 <1>	0
	Indonesia	11 <1>	0	0	0	0
	Thailand	228 <6>	9 <1>	0	0	0
	Saudi Arabia	6 <1>	0	0	0	0
	India	477 <7>	0	0	0	0
Europe	Russia	0	0	0	0.2 <1>	0
	Norway	0	0	0	0	18 <1>
	Denmark	0	0	0	29 <1>	0
	Netherlands	0	0	0	0	14 <1>
	Germany	0	0	7 <1>	0	5 <2>
	France	0	0	0.1 <1>	3 <1>	1 <1>
	Spain	0	0	1 <1>	0	0
	Poland	0	0	0	1 <1>	0
	Italy	7 <2>	0	0	0	0.5 <1>
North America	Canada	0	0	0	0	44 <1>
	United States	31 <8>	0	147 <3>	0	0
Total*1		827 <26>	9 <1>	1,850 <18>	1,372 <20>	83 <8>

* Totals shown may differ from the simple sum of values shown due to rounding.

The survey results showed that “High” or “High-Middle” levels of water stress applied to 27 production sites, located in the Chinese city of Suzhou, central Thailand, Saudi Arabia, India, Italy, and the United States, which account for approximately 20% of the Group’s total water withdrawal. In the next “Middle” level category were 18 production sites situated in Japan’s Kanto region and Aichi Prefecture, Indonesia, coastal regions of Thailand, the southeast United States and a number of locations in Europe, which together account for approximately 45% of total water withdrawal. Production sites in the “Middle-Low” and “Low” categories accounted for approximately 35% of total water withdrawal.

Ratio of Production Sites in Areas of “High” Water Stress

	Overall production sites	Areas of “high” water stress
Number of production sites	73	26 (35.6%)
Water withdrawal (thousand m^3)	4,140	827 (20.0%)

Reducing water use in water-stressed regions

The Indian state of Haryana, where Escorts Kubota Limited's RED factory is located, has mandated the adoption of water-saving measures at factories. To reduce water use, the RED factory uses a carbon filter-based wastewater treatment system to filter domestic wastewater, which is then reused for non-potable applications, for watering green areas around the factory, and in civil engineering work. Also, wastewater discharged outside of the factory is only released after being purified at a sewage treatment plant (STP) in an effort to minimize the impact on the water environments of India, a country known to have many water-stressed regions.

Equipment that allows the reuse of wastewater

Sewage treatment plant (STP)

Evaluate: Results of risk assessment (3) — assessment of ecosystem around production sites

To assess our dependency and impact on natural capital due to business activities, we conducted a heat map analysis using the LEAP approach and the ENCORE tool. These tools perform an evaluation based on production processes; they do not evaluate the impact on the surrounding ecosystem based on the location information of the site. The waste water and exhaust gas emitted from the Company's production activities are appropriately treated to keep them within standard values, and then released to a public treatment facility or into the environment. Moreover, the containers for the diesel and lubricant sealed in products on our premises, and for the paint used for painting processes, are subject to leak prevention measures to minimize leaks into the environment. We believe that the impact on the surrounding ecosystem from our ordinary production activities is not high. However, we cannot deny the potential impact on the surrounding ecosystem if a leak did occur. Therefore, in FY2024 we used the Integrated Biodiversity Assessment Tool (IBAT) to confirm the status of nature protection areas and so forth within a 1 km radius of the boundaries of our production sites globally.

We have 73 production sites globally. As a result of the IBAT analysis, we found that in the nature protection areas where our production sites are located, there are three classified as Key Biodiversity Areas (KBA), seven classified as National, one classified as Ramsar, while in the IUCN management categories, there was one area in category Ia, one area in category III, two areas in category IV, and two areas in category V. We did not find any sites in areas classified as World Heritage, MAB, and IUCN management categories Ib, II and VI.

We conduct activities globally in accordance with the Environmental Charter and Environmental Action Guidelines. We strive to reduce our impact on the surrounding environment by rigorously observing legal and regulatory standards for wastewater and exhaust gas, and installing automatic shut-off systems for cases where abnormal values that exceed the wastewater standard are detected. In addition, we conduct clean-up activities and greening of the areas around sites in collaboration with local communities, as well as installing biotopes and so forth to promote protection of the natural environment and preservation of ecosystems.

Country	KBA	Protected area				IUCN management category						
		National	World Heritage	Ramsar	MAB	Ia	Ib	II	III	IV	V	VI
Japan	2	3	0	1	0	0	0	0	0	1	1	0
China	0	0	0	0	0	0	0	0	0	0	0	0
Thailand	1	0	0	0	0	0	0	0	0	0	0	0
Indonesia	0	0	0	0	0	0	0	0	0	0	0	0
India	0	0	0	0	0	0	0	0	0	0	0	0
Saudi Arabia	0	0	0	0	0	0	0	0	0	0	0	0
Russia	0	0	0	0	0	0	0	0	0	0	0	0
Norway	0	0	0	0	0	0	0	0	0	0	0	0
Denmark	0	1	0	0	0	0	0	0	0	1	0	0
Poland	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands	0	0	0	0	0	0	0	0	0	0	0	0
Germany	0	1	0	0	0	0	0	0	0	0	1	0
France	0	0	0	0	0	0	0	0	0	0	0	0
Italy	0	0	0	0	0	0	0	0	0	0	0	0
Spain	0	0	0	0	0	0	0	0	0	0	0	0
Canada	0	1	0	0	0	1	0	0	0	0	0	0
United States	0	1	0	0	0	0	0	0	1	0	0	0

IBAT

The Integrated Biodiversity Assessment Tool (IBAT) registers geographical information about a site (latitude and longitude) to enable assessment of potential risks to a target area surrounding a site or the surrounding ecosystem. It also allows the distribution of nature protection areas around a specified target site to be checked on a map.

Data referenced on IBAT this time is as follows.

Reference data	Overview
Key Biodiversity Area (KBA)	Areas that contribute significantly to the maintenance of global scale of biodiversity in land-based, freshwater, and ocean ecosystems.
National	Protected areas designated at the national or quasi-national level.
World Heritage	World heritage sites selected by UNESCO for cultural, historical, scientific, or other reasons. IBAT is able to reference natural world heritage sites.
Ramsar	Protected wetland areas designated by the national government under the Ramsar Convention
MAB	Areas designated by the national government for both protection of the natural environment and sustainable use by local communities based on the UNESCO Man and Biosphere (MAB) Programme.
IUCN management category	Areas designated according to the International Union for Conservation of Nature and Natural Resources (IUCN) management categories, which define the methods for managing and operating protected areas. <Ia> Strict nature reserve Areas that are strictly protected for biodiversity and also possibly geological/ geomorphological features <Ib> Wilderness area Areas that are usually large unmodified or slightly modified areas <II> National park Large natural or near-natural areas <III> Natural monument or feature Areas set aside to protect a specific natural monument <IV> Habitat/species management area Areas to protect particular species or habitats <V> Protected landscape/seascape Areas where the interaction of people and nature over time has produced a distinct character with significant ecological, biological, cultural and scenic value <VI> Protected area with sustainable use of natural resources Areas that mainly conserve ecosystems and habitats

Assess: Results of scenario analysis
Prepare: Adopting measures

Business	Reason or ecosystem service		Summarized results of scenario analysis	Anticipated business risks and opportunities	Short term	Medium term	Long term
Farm & Industrial Machinery	Impacts	Water use	• As population growth drives up demand for water, securing enough water for irrigation purposes could prove challenging. • Advancements in agricultural technology will most likely contribute to improved water efficiency. • In order to maintain the health of ecosystems, restrictions aimed at limiting the impacts of agriculture and industry on water resources may be tightened.	Risks: • Crop yields will decline owing primarily to a decrease in water for agricultural use, storm and flood damage, and water and soil contamination. This could potentially affect sales of agricultural machinery. Opportunities: • Stronger demand for agricultural machinery and solutions that help boost crop yields. • Stronger demand for farming solutions conducive to the efficient use of water, fertilizer, and pesticides. • Increased revenue from sales of agricultural machinery, construction machinery, and solutions that contribute to low- and zero-carbon agriculture.		→	→
	Dependency	Water circulation, surface water, groundwater					
	Impacts	Ecosystems (fresh water, terrestrial) Water and soil pollution	• Greater crop yields will be needed to meet food demand as a result of population growth. • Land where forests and reservoirs are currently located could be made way for more farming land. • A decrease in forests and reservoirs might lead to a decline in the land's water-holding capacity and increased storm and flood damage on farming land. • The excessive use of fertilizer and pesticides to boost yields could lead to a decrease in pollen transfer and the degradation of water and soil.				
	Dependency	Storm buffering, ground stabilization Pollination					
	Impacts	GHG emissions	• As agriculture is reliant on rainfall and temperature, climate change will affect the relocation of suitable farming land and crop production. • Demand will grow stronger for farming solutions and support on transitioning to new agricultural machinery and farming methods, including self-driving equipment and smart farming practices. • CO_2 emissions associated with the use of agricultural and construction machinery and GHGs generated from farming could have an impact on climate change.				
	Dependency	Climatic conditions					
Water & Environment	Impacts	—	• Demand for drinking water, water for industrial use, and for urban green spaces will increase owing to urban expansion and population growth. Water management with consideration for the protection of water sources and waterways and the conservation of natural resources will be strengthened. • Restrictions will be enforced on the intake and discharge of water for household and industrial use in developed countries and Asia as a preventive measure against strained water resources and deteriorating water quality owing to the impacts of climate change. • Demand will increase for solutions that resolve water shortages and poor water quality due to the dependency on access to stable water sources and water quality.	Opportunities • Stronger demand for efficient management and recycling of water resources. • Stronger demand for solutions that encourage effective use and recycling of resources.		→	→
	Dependency	Water circulation, surface water, groundwater					
	Impacts	Waste	• Demand will grow stronger for solutions that facilitate the exploitation of rubbish and agricultural waste and the effective utilization of resources. • Decarbonization combined with a circular economy will gather momentum, the mining of new resources will be avoided, and the recycling of resources will further increase.				
	Dependency	—					
Common	Impacts	Water use Water and soil pollution Waste GHG emissions	• Increased production will lead to the use of more water essential to the manufacturing of products and components, which could have an impact on nearby water supply volume. • Greater production output will lead to increased emissions of GHGs, waste, and pollutants, which could have impacts on ecosystems and the climate if they are released into the environment.	Risks • Delays in production due to no access to water supply needed for production activities. • Greater impacts on the environment from production sites will have a negative impact on surrounding ecosystems.			→
	Dependency	Water circulation, surface water, groundwater					→

Countermeasure Strategies

Farm & Industrial Machinery business
- Minimize the negative impacts on ecosystems and habitats by providing products that contribute to greater crop yields and more appropriate rates of fertilizer application.
- Minimize the negative impacts on ecosystems by providing products that restrict excessive agrochemical and fertilizer application rates.
- Expand the provision of agricultural solutions that improve the efficient use of water for farming, suppression of deforestation, and protect habitats.
- Contribute to the reduction of CO_2 emissions at the product use stage through innovation.

Examples of our initiatives:
- Our KSAS, self-driving machinery, and other products can contribute to improved farming productivity and boost yields per unit area.
- Products like sprayers and drones can prevent excessive use of agrochemicals and fertilizer and promote more appropriate application.

Water & Environment business
- Contribute to water infrastructure development and water recycling primarily by providing water supply and sewerage pipes and engineering for water treatment plants.
- Help bring about a circular economy by providing recycling plants, such as facilities that pulverize and sort waste from so-called "urban mines" to recover metals, plastics, and other resources, and melting furnaces to extract chemical fertilizer from sewage sludge.

Examples of our initiatives:
- Kubota's submerged membrane units can remove suspended solids or organic matter and reuse treated water for non-potable applications.
- Kubota's crushing machines that pulverize waste to realize a recycling-oriented society by "producing" useful metals.
- Kubota's sludge melting process technology that can reduce the volume of waste and recover resources.

Across both businesses
- Globally promote manufacturing that allows for the efficient use of resources.
- Set targets for mitigating the factors stemming from production activities that have an impact on natural capital and promote environmental conservation globally.

❷ Assessing our resilience in addressing natural capital

The Kubota Group provides technologies that align with the sustainable food systems strategy of the Japanese government, including those that aim to lower GHG emissions, limit the excessive application of pesticides and fertilizer, and establish circular agricultural practices. We believe these technologies can not only boost crop yields, but also contribute to the protection of ecosystems. We also offer solutions that support efficient water management. Going forward, we will continue to analyze and take measures against relevant business risks and opportunities to ensure that our business activities are resilient enough to address issues related to natural capital.

Promoting Continuous Conservation Activities

Our Medium-Term Environmental Conservation Targets 2025 include conservation of biodiversity. Our initiatives for this include continuously promoting greening of our business sites and social contribution activities. Furthermore, the Kubota Group has wide-ranging involvement with biodiversity, from the environmental impacts of its production activities at business sites to the impact of products and services used by customers.

We report to the Executive Officers' Meeting on energy consumption and emissions of CO_2, waste, water, and chemicals, etc. at our production sites, as well as the status of progress on reduction measures at each site.

As an initiative to reduce the use of chemical fertilizers on farms, we are working to promote the spread of farm management using the Kubota Smart Agri System (KSAS) along with agriculture drones and combine harvesters fitted with sensors. Through efficient use and distribution of pesticides and fertilizer, we will reduce the impact of chemicals on the environment and contribute to conservation of biodiversity.

Conservation of Biodiversity around Business Sites

In FY2024, we undertook social contribution activities through biotope conservation inside our business sites and clean-up and greening of areas around sites. We also maintained environments for various living organisms and promoted protection of the natural environment and conservation of biodiversity.

Community Garden for Cultivating Biodiversity

Species management

At Kverneland Group Polska sp. z.o.o (Poland), we strive to increase employees' awareness of biodiversity through gardening.

Installation of Biotopes

Land/water protection

At Siam Kubota Corporation Co., Ltd. (Thailand), we installed a biotope on site to conserve biodiversity.

Tree Planting Activity

Land/water management

Kubota España S.A. (Spain) conducted a tree-planting activity in cooperation with local companies.

Environmental Conservation

Species management

Kubota Farm Machinery Europe S.A.S. (France) aims to conserve living things with recycled PET bottles. By imparting vibrations to the ground surface when the wind blows, they repel moles.

Conservation of Biodiversity around Business Sites

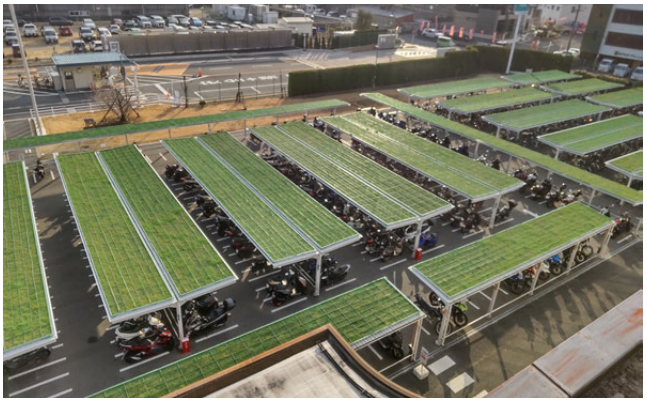
Releasing Young Fish

Species management

At Siam Kubota Metal Technology Co., Ltd. (Thailand), we collaborated with the local government and companies to release juvenile fish.

Rooftop Greening of Bicycle Parking Area

Land/water management



At the Kubota Hirakata Plant (Japan), we have a green space on the rooftop of the enclosed bicycle parking area as a way of greening the premises.

Promoting Social Contribution Activities

The Kubota Group conducts annual beautification activities in areas around its sites to pick up litter, which may become a source of marine plastic pollution. For other social contribution activities, please refer to page 124.

At the Kubota Sakai-Mihara Plant (Japan), we carried out cleaning activities along the sidewalks around the company, removing weeds and pruning shrubs.

Kubota ChemiX Co., Ltd. Odawara Plant (Japan) conducted a clean-up drive for labor and management, organized by the Labor and Welfare Department.

Expanding Environment-conscious Products and Services

The Kubota Group is contributing to protecting the global environment and solving social issues in the food, water and living environment fields through the provision of environment-conscious products and services. The Group conducts environmental assessment of products in the design and development stages, and promotes environment-friendliness over the entire product lifecycle, from the procurement of raw materials to the disposal of products. The Group internally certifies exceptionally environment-conscious products as Eco-Products, and is working to expand its lineup of certified products.

Environmental Considerations in the Product Lifecycle

Major Initiatives to Ensure Environment-friendliness

Design and development
- Product environmental assessment to ensure environment-conscious design
- Internal certification of Eco-Products

Raw materials and parts procurement
- Green procurement
- Optimal regional procurement

Production
- Reduction of waste and loss in the use of energy and other resources
- 3Rs for waste and water resources, use of recycled materials
- Reduction of VOC emissions, replacement of organic solvents with substitutes

Distribution
- Improving loading efficiency
- Modal shift
- Reduction of packing materials

Construction
- Improving efficiency and saving labor for construction work
- Shortening of construction period
- Reduction of resources used for construction

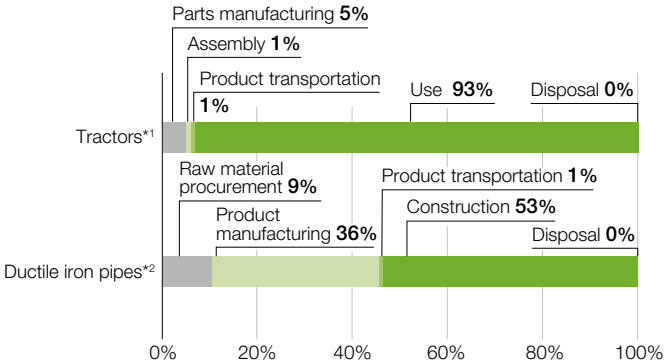
Use
- Reduction of fuel consumption
- Improving efficiency, saving labor for work and management
- Improving ease of maintenance, extending product life
- Reduction of exhaust gas
- Reduction of noise, vibration
- Next-generation power such as electrification

Disposal
- Collecting/reuse/recycling of used products and parts
- Proper disposal

Analysis of Greenhouse Gas Emissions in the Product Lifecycle

The Kubota Group handles a diverse range of products, from agricultural and construction machinery to pipe systems and water treatment equipment. As part of its product environmental assessment, the Group conducts lifecycle assessment (LCA) for its major products to determine the amount of greenhouse gas emissions over each product lifecycle. The results of the LCA were subject to third-party review in 2014 by the Japan Environmental Management Association for Industry.

Results of LCA: Proportions of Greenhouse Gases



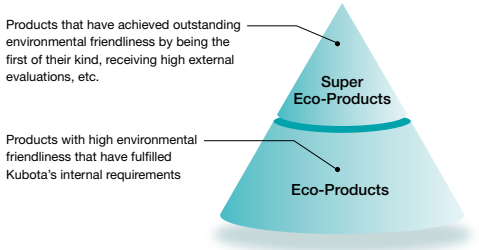
*1 LCA results for tractors were calculated based on the assumption of towing and transporting work for 5,000 hours by the M9540DTHQ-EC agricultural tractor in France.
*2 LCA results for ductile iron pipes were calculated based on the data reported in the "Study on Piping Technologies for Sustainable Water Supply Service" (Japan Water Research Center). The proportions of raw material procurement, manufacturing, and product transportation were determined according to Kubota's CO_2 emissions data.

Greenhouse gases emitted in the use stage account for around 90% in the lifecycle of agricultural tractors, while gases emitted in the manufacturing and construction stage account for around 90% in ductile iron pipes. Thus, the frequency and scale of environmental loads in the lifecycle vary depending on the product type. The Kubota Group enhances its environment-conscious products and services by reflecting the results of the analysis of environmental loads in the product lifecycle in its environment-conscious design development.

Internal Certification System for Eco-Products

Regarding the Internal Certification System for Eco-Products

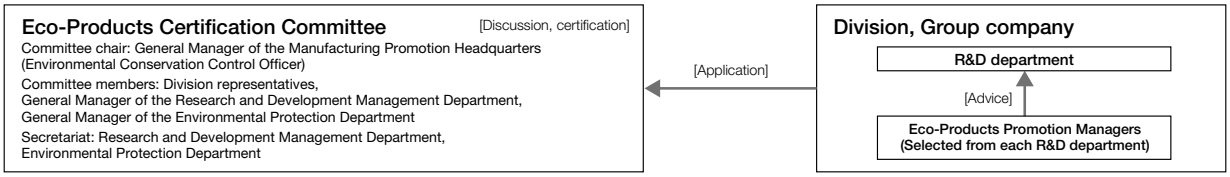
The Kubota Group's internal certification system for Eco-Products was introduced to internally certify products with exceptional environmental friendliness. We evaluate products in accordance with matters related to the five basic items for environmental conservation in the Kubota Group's environmental management, namely, "Mitigating and Adapting to Climate Change," "Working towards a Recycling-based Society," "Conserving Water Resources," "Controlling Chemical Substances," and "Conserving Biodiversity," and certify those products that satisfy our internal standards as Eco-Products.



Five basic items for environmental conservation	Evaluation items	Evaluation criteria examples
• Mitigating and Adapting to Climate Change • Working towards a Recycling-based Society • Conserving Water Resources • Controlling Chemical Substances • Conserving Biodiversity	1. Energy saving (CO_2 reduction) Reducing energy consumption during production, transportation, construction and use, etc.	• Does the product use less energy (or reduce CO_2 emissions) during the production process compared to conventional products? • Does the product use less energy (or reduce CO_2 emissions) during transportation/construction compared to conventional products? • Does the product use less energy (fuel, power, etc.) (or reduce CO_2 emissions) during use compared to conventional products?
	2. Resource saving Reducing weight and volume, extending product life, etc.	• Does the product use fewer resources during its transportation/construction compared to conventional products?
	3. Recycling Using recycled materials and recycled rare metals, etc.	• Do the product / its components have a materials label, or provide information about the materials?
	4. Reducing environmentally hazardous substances Reducing RoHS-designated substances, reducing gas emissions, etc.	• Have steps been taken to ascertain whether the product contains substances specified in the RoHS Directive?
	5. Information disclosure Notes about energy-saving operations, recycling and disposal, etc.	• Are environmental hazard warnings for when the product is being installed, used, cleaned, repaired, or discarded provided on the machinery itself or in its instruction manual?

Eco-Products Certification Committee

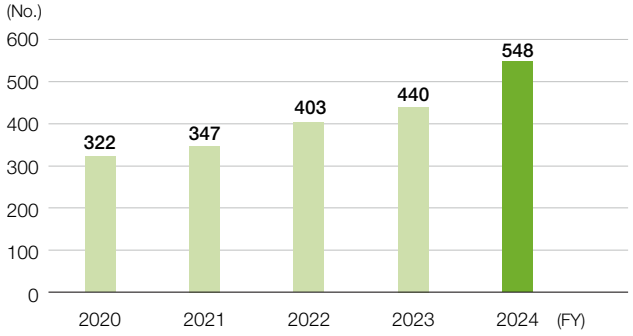
The Eco-Products Certification Committee, chaired by the General Manager of the Manufacturing Promotion Headquarters, consists of the committee members elected from each Division, as well as the Research and Development Management Department and the Environmental Protection Department. Upon receiving an application from each Division for the certification of a product, the Committee examines the product's adequacy as an Eco-Product and gives certification.



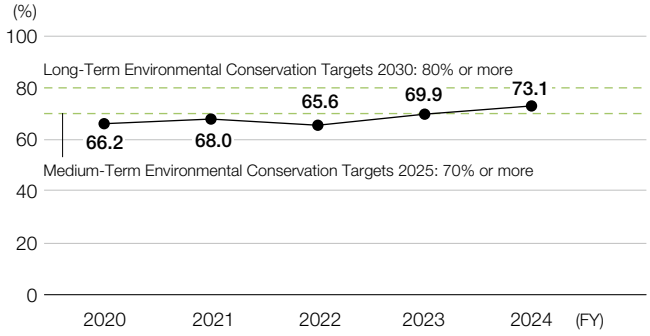
The Pathway to Expanding Certified Eco-Products

Based on our internal certification system established for Eco-Products, the Kubota Group certified an additional 108 products in FY2024, bringing the total number of certified Eco-Products to 548. The sales ratio of Eco-Products was 73.1% versus the Medium-Term Environmental Conservation Targets 2025 of 70% or higher. Also in FY2024, one of our combine harvesters—which has earned favorable reviews in the market—was newly certified as a Super Eco-Product. Going forward, we will expand our Eco-Products lineup by continuing to promote the development of environment-conscious products demanded by our customers and society, including products that are energy-saving, lightweight, miniaturized, long-lived, easy maintenance, and compliant with environmental regulations.

Trends in Numbers of Eco-Product Certifications (Total)



Trends in Sales Ratio of Eco-Products*1, 2



*1 The sales ratio of products that have fulfilled the internal requirements in our own Eco-Products Certification System
Sales ratio of Eco-Products (%) = Sales of Eco-Products / Sales of products (excluding construction work, services, software, parts and accessories) × 100
*2 The net sales of products, which are the denominator, include net sales of the ceramic material TXAX.

Products Certified as Super Eco-Products in FY2024

Crawler-type Normal Combine Harvester

DIONITH
DRH1200 (for Japan)

By using advanced human detection and control technologies for monitoring that employ AI, we have successfully created an unmanned combine harvester, which was once considered to be too complex to develop.This marks the world's first mass production of such a system. Additionally, we have incorporated the operating methods of experienced operators into our control technologies, achieving high efficiency that matches that of skilled workers. The product will help to make agriculture operations more efficient and productive.
The product received an excellence award for the category of the industries of agriculture, forestry, and fisheries, and food productions, at the "11th Robot Awards" sponsored by the Ministry of Economy, Trade and Industry, the Japan Machinery Federation, the Ministry of Agriculture, Forestry and Fisheries, and four other ministries.

Key certification point

Compliance with exhaust gas regulations	Compliance with Japan 4th non-road vehicle emission regulation (75 kW and above, below 130 kW; 2014 regulations)
Working towards a Recycling-based Society	Maintenance time reduced by 51% (Compared to Kubota's WRH1200 model: according to in-house standard) Refrigerant volume reduced by 30% (Compared to Kubota's WRH1200: according to in-house standard)

Products Certified as Eco-Products in FY2024 (excerpt)

Color sorting machine
KG-S55X (Japan)

8% reduction in electricity consumption per unit of processing volume
(Compared to Kubota's FY2015 model KG-S50XII)

Saving energy

Tractor
FarmTrac 6050 (Europe)

Compliance with EU Stage V emission regulation (rated power 19 kW and above, below 37 kW)

Compliance with exhaust gas regulations

Integrated heat pump air conditioner
(R32 coolant type)

41% reduction in electricity consumption
(Compared with Kubota's current model, central type)

Saving energy

Construction machinery
Mini excavator KX038-4e
(Europe)

By electrification, it emits no exhaust gas

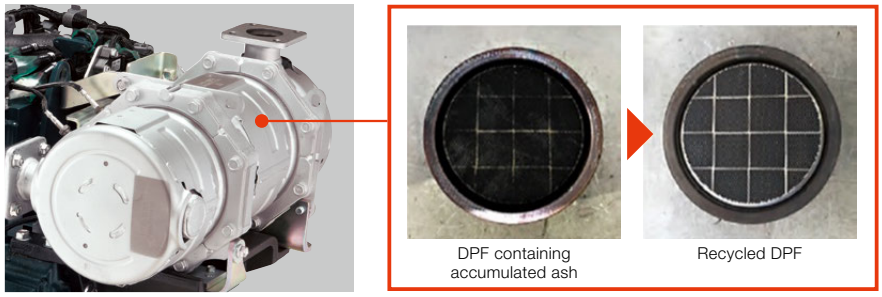
Mitigating and Adapting to Climate Change

For details on products certified as Eco-Products Click

Managing Used Products

The Kubota Group has several services in which used products and parts are collected for recycling. Kubota Engine Japan Corporation manages the DPF Eco Program to encourage the recycling of diesel particulate filters (DPF). A DPF is a filtering device that removes particulate matter from the exhaust gas of diesel engines. It does this by collecting and regularly burning off the harmful fine particles contained in the gas emitted by the engine. However, ash that cannot be completely removed through combustion continues to accumulate in the DPF. Under this program, recycled DPFs with the same level of performance as a brand new device are provided to customers after being cleaned and inspected in accordance with Kubota's specifications. Kubota Engine Japan also operates a remanufactured parts program for mainly starting motors and alternators used in Kubota engines. These parts are disassembled, cleaned, and given new components so they can be used again like a new product. Kubota Engine America Corporation also provides a similar remanufactured parts service.

DPF muffler



Provision of recycled products under the DPF Eco Program

Siam Kubota Corporation Co., Ltd. in Thailand manufactures and sells tractors, combine harvesters, cultivators, diesel engines, and other machinery. In addition to this, it repairs and refurbishes machinery traded in by customers when they purchase a new product and provides assistance to the dealers that sell them as authorized second-hand equipment.

In the water and environment field, Kubota provides submerged membrane units for purifying household and industrial wastewater. To ensure the smooth operation of water treatment facilities, it is essential that the submerged membranes are maintained, including the regular replacement of membrane cartridges. Kubota Membrane Co., Ltd. not only examines and replaces the membrane cartridges, but it also recycles them in an effort to contribute to the reduction of waste emissions.

Kubota ChemiX Co., Ltd., a Group company involved in the manufacture and sale of plastic pipes and fittings, is also engaged in the effective use of resources by making and selling rigid three-layer PVC pipes with the use of recycled PVC that has been processed from cleaned and pulverized waste material. Moreover, KUBOTA Environmental Engineering Corporation—which undertakes construction, maintenance, and operational management of water and environmental facilities—provides engineering services to facilities that pulverize and sort plastic waste for use as fuel and material.

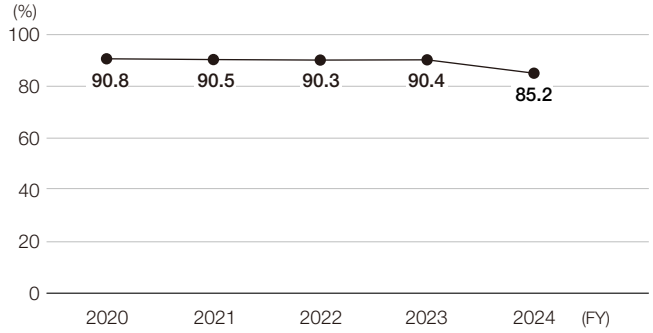
These initiatives mean the Kubota Group can avoid using new raw materials, which in turn helps lower the amount of energy used to make new products and reduces greenhouse gas emissions. We will continue to promote measures that contribute to the effective utilization of resources while also meeting the needs of our customers.

Recycled Products

The ductile iron pipes, fittings, and machine cast products (such as engine crankcases, cylinder heads, and transmission cases) manufactured by the Kubota Group are produced mainly from scrap iron collected from external sources and within our plants. Iron can be turned into new products without significant quality degradation during the recycling process because impurities are largely removed. As one of the Medium-Term Environmental Conservation Targets 2025, we aim to maintain the usage ratio of recycled material of at least 70% in order to promote the use of recycled materials. In FY2024, we replaced our cupola furnaces with electric furnaces at the Kubota Hanshin Plant, which changed the composition of our raw materials, reducing our usage ratio of recycled material.

Ductile iron pipe manufactured from mostly scrap iron

Usage Ratio of Recycled Materials (%)*1,2



*1 Usage ratio of recycled materials in cast metal products and parts manufactured by the Kubota Group, such as ductile iron pipes, fittings, and machine cast products (engine crankcases, etc.).
*2 From FY2023, the calculation method has been changed to exclude old pig iron generated within the same business site from the calculations. This has been applied retroactively.

Environmental Management

The Kubota Group has systematically established its environmental management systems in order to facilitate business operation throughout the entire value chain including business sites and operational divisions based on the Kubota Global Identity and the Environmental Charter. The Group also promotes environmental management that is appropriate for the type of business activities of the site/operational division. Production sites, in particular, are associated with large environmental loads related to energy and waste, as well as the risks of air pollution and water contamination. In order to properly address such risks, the Group has established environmental management systems based on ISO 14001 and EMAS, and is endeavoring to promote business management in accordance with the required rules and the continuous improvement of environmental conservation activities.

Compliance with Environmental Laws and Regulations

To ensure compliance with environmental laws and regulations and prevent environmental accidents, the Kubota Group conducts its business in accordance with the rules and regulations it has formulated in relation to environmental conservation.

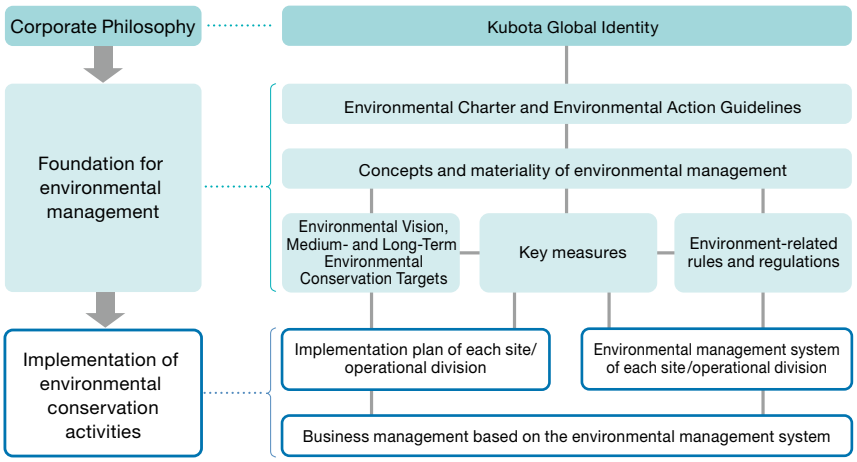
For exhaust gas, wastewater, noise, vibration and other variables, the Group has set and thoroughly manages its own control values at each production site, which are stricter than the corresponding laws and regulations, and has also established a system to promptly report any instances of non-compliance or complaints relating to environmental laws and regulations to relevant government bodies and the head office.

Each year, the Kubota Group also conducts environmental audits to confirm that the environmental conservation systems and activities are properly implemented at each site, as well as environmental risk assessments to clarify the status of environmental risks and establish improvements, with the aim of preventing the violation of environmental laws/regulations and environmental accidents.

Despite these efforts, however, in FY2024 we had one case of inappropriate disposal of waste and one case of wastewater exceeding regulation levels in Japan. We investigated any impacts on the surrounding environment and are working to prevent a recurrence. We were not subject to any fines or punishments.

The Kubota Group's Environmental Management System

The diagram below shows the structure of the environmental management system of the Kubota Group.



Environmental Performance Monitoring by Directors and Executive Officers

The Company has established an Environmental Charter and Environmental Action Guidelines to serve as a policy and standard for action regarding environmental management. It has also set out specific actions to be taken in its environmental related regulations and other regulations. Each year the assigned department confirms the status of implementation of the Environmental Conservation Regulations and the Environmental Conservation Rules, and makes any necessary revisions under the approval of the president or the assigned executive officer.

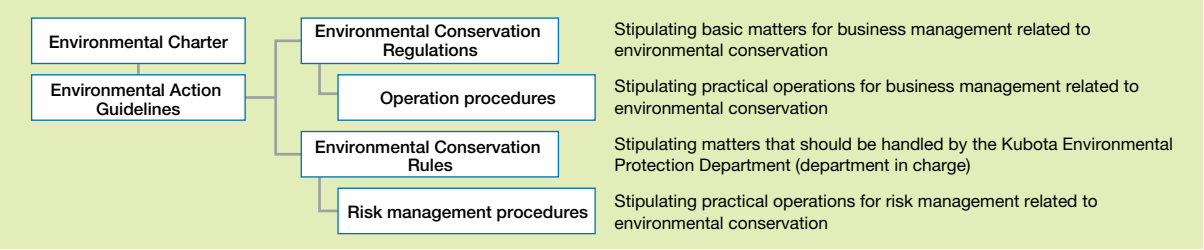
The Environmental Action Guidelines call for the promotion of environmental conservation at every stage of corporate activities. To implement this, we have established the Environmental Conservation Rules, which stipulate environmental audits to be conducted in accordance with the companywide internal control systems. The results of the annual environmental audit are reported via the Kubota Group Risk Management Committee.

Furthermore, under the Environmental Action Guidelines, we establish voluntary targets and action plans and work on our daily business operations. We have set medium- to long-term targets for environmental conservation as our environmental performance indicators. Toward achieving our Medium-Term Environmental Conservation Targets for production sites, we formulate and revise implementation plans for each site twice a year. The status of progress on environmental performance is reported to the ESG Management Strategy Meeting and the Executive Officers' Meeting. The status of implementation of the Group's environment-related policies and various environmental performance indicators are monitored through checks undertaken by the Board of Directors and the Executive Officers' Meeting.

Environment-related Rules and Regulations

The Kubota Group has formulated environment-related rules and regulations based on its internal control system, targeting Kubota Corporation, all of its consolidated subsidiaries and a part of its affiliated companies accounted for under the equity method that are highly significant in its environmental management.

The rules and regulations are classified as follows:



These rules and regulations are reviewed every year, according to the business environment and revisions of laws and regulations. The latest versions of these rules and regulations are available on the Group portal site, allowing employees around the world to refer to them.

Environmental Auditing

Each year, the Environmental Protection Department conducts an environmental audit (on-site, document, remote) targeting all production sites, service sites, offices, and construction and maintenance management departments in Japan, as well as overseas Group production sites.

Moreover, in addition to the environmental audit by the Environmental Protection Department, annual internal environmental audits are conducted at production sites. Through these means, and by taking the initiative to self-check the status of environmental management, every effort is being made to further improve management levels.

All of the audit results are reported to the President and management at the Kubota Group Risk Management Committee in accordance with the Group-wide internal control system.

FY2024 Environmental Audit Implementation Status

- Number of sites: 299 (286 sites and 13 agricultural machinery sales companies)
- Number of audit items: 28 (for production sites) up to 54 (for service sites)
  * Details are as shown in the table below.
- Audit details: Water and air quality management, noise and vibration management, waste discharge and chemical substance management, climate change prevention, response to abnormalities and emergencies, and environmental management system

Environmental audit at Kubota Gianni Ferrari (Italy)
* The environmental audit involves both on-site and remote audits.

Environmental Audit Implementation Status

		Production sites	Offices	Service sites		Construction departments	Maintenance management departments*2	Total number of sites audited
				Agricultural machinery distributors	Other			
Group companies in Japan	Number of sites audited	26	78	13 companies*1	86	59	8	270
	Number of audit items	34	42	54	54	39	33	
Overseas group companies	Number of sites audited	29	—	—	—	—	—	29
	Number of audit items	28						

*1 For agricultural machinery distributors, the audit was conducted on a company basis instead of on a site basis.
*2 Departments engaged in the business of operation or maintenance of environmental plants

Status of Environmental Management System Certification Acquisition

The Kubota Group requires all of its production sites to acquire ISO 14001 certification or other equivalent environmental certification (EMAS, etc.).

As of the end of December 2024, 50 (coverage rate* of 91.3%) of the Group's production sites worldwide have acquired an environmental management system certification. In Japan, all of its 24 production sites (coverage rate* of 100%) have acquired ISO 14001, and 26 overseas sites (coverage rate* of 81.1%) acquired ISO 14001 certification or other equivalent certification. The Kubota Group will continue to work on expanding its coverage ratio.

* Coverage rate is calculated on a production money amount basis

Kubota Group's Status of Environmental Management System Certification Acquisition Click

Environmental Patrols

At each site, environmental patrols are carried out to meticulously assess the entire site and confirm the absence or presence of conditions that may lead to environmental accidents or violations of environmental laws and regulations. The Kubota Group aims to reduce environmental risks by conducting environmental patrols and finding situations that may cause any abnormalities at an early stage.

Environmental patrol
Kubota Hirakata Plant (Japan)

Drills for Responding to Abnormal and Emergency Situations

The Kubota Group is working to identify and minimize environmental risks associated with its business activities through risk-specific response procedures.

We are also conducting drills each year based on response procedures that assume the outbreak of environmental accidents or situations that could arise in environmental accidents, in order to mitigate the impact on the ambient environment.

Training based on an oil leak scenario
Kubota Shiga Plant (Japan)

On-site Investigations of Waste Treatment Contractors and Purchasers of Valuable Resources

In order to promote the proper treatment of waste and other materials including valuable resources at its operating sites in Japan, the Kubota Group is increasingly employing the services of top-rated certified operators.

At the same time, the Group has stipulated internal rules for conducting on-site investigations of industrial and other recyclable waste treatment contractors, as well as purchasers of valuable resources. With the use of a system for sharing investigation reports, we are taking steps to spread the load of handling investigation tasks and to make them more efficient.

In FY2024, on-site investigations were conducted at sites where on-site checking was required due to local government ordinances and at other sites with separately scheduled investigations according to whether the operators were top-rated certified or non-certified. Looking ahead, we will continue to conduct investigations that increase validity to promote appropriate treatment.

Green Procurement

Green Procurement Guidelines

For the purpose of providing products that are friendly to global and local environments, the Kubota Group is seeking to procure products with reduced environmental impact from ecofriendly suppliers.

In order to proactively promote these activities, the Kubota Group presents its policies on green procurement to suppliers through the Group's Green Procurement Guidelines, asking for their understanding and cooperation.

In addition, we conclude basic trading agreements with Japanese suppliers who deal with Kubota, and through these agreements we ask the suppliers to observe environmental laws and regulations, and take steps to reduce their environmental impact.

Kubota Group's Green Procurement Guidelines Click

The Kubota Group's Green Procurement Guidelines and Appendix [Substances of Concern List] (Published in Japanese, English and Chinese)

Award System for Green Procurement

The Green Supplier Award System was launched in 2015 to award suppliers recognized as having made notable contributions in the area of environmental conservation, for the purpose of procuring goods with less environmental impact. The awards are presented annually.

In accordance with the Kubota Group's Green Procurement Guidelines, this award system quantitatively evaluates goods supplied to the Kubota Group and environmental conservation activities engaged in by suppliers from the perspective of resources and energy saving and awards notably excellent examples.

In 2024, of the 131 environmental conservation activities that were submitted from our suppliers in Japan, 12 activities with particularly high achievements were awarded, one of which received the Excellent Prize.

Award ceremony

We started expanding this system globally in 2018, and presented awards at overseas sites as well. We will continue to utilize the system and carry out activities in the name of green procurement and promote environmental conservation initiatives hand-in-hand with our suppliers.

Supplier Management

The Kubota Group promotes measures to protect the environment, working closely with suppliers who support our environmental management. Kubota cooperates with suppliers to promote management for increasing corporate value, and in 2024 we formulated the Kubota Group Supplier Code of Conduct. We will continue to promote green procurement through the Kubota Group Green Procurement Guidelines, and we are also working on environmental due diligence.

As a specific example of activities, Kubota Agricultural Machinery (Suzhou) Co., Ltd. (China) conducts "environmental patrols" of existing suppliers to verify compliance with environmental laws and requests suppliers to take recommended steps for addressing any points for improvement found with the goal of minimizing the risk of supply stoppages for procured components. Before approving new suppliers, the company conducts patrols to ensure they meet legal requirements. Only those confirmed to be compliant are chosen as new suppliers.

Environmental Education and Enlightenment

Results of Environmental Education in 2024

We conduct environmental education and awareness-raising for Kubota Group employees through rank-based training, professional training by subject, and e-learning.

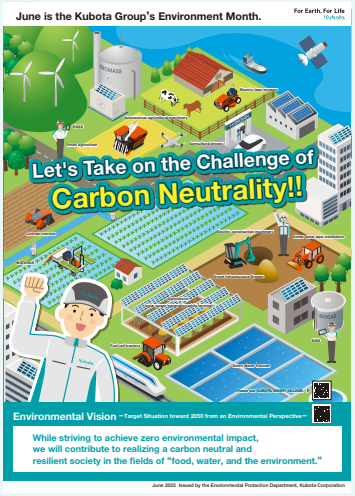
Classification	Course title	Frequency	No. of participants	Course description
Education by employee-level	ESG Forum for executive management	1	500	Lecture from Ms. Chiharu Takakura, Co-Chairperson of Takakura & Company LLC, entitled “Aim of Human Capital Management and Significance of Its Implementation - What is an organization where individuals play active roles?
	Training for new employees in staff positions	1	333	Global and local environmental issues and the Kubota Group’s environmental conservation activities
	Training for newly appointed foremen	1	17	The Kubota Group’s environmental management and efforts as foremen
	Training for newly appointed supervisors	2	56	The Kubota Group’s environmental management and efforts as supervisors
Professional education by subject	Basics of environmental management	1	18	Basic knowledge of environmental issues, environmental laws and regulations, and environmental risks, etc.
	Waste management (Basic)	3	57	Key points concerning waste-related laws, waste management, and reduction
	Waste management (Advanced)	1	17	Specialist knowledge concerning waste-related laws, waste management, and reduction
	Environment-related facility management	1	17	Pollution prevention-related laws and pollution prevention facilities and technologies
	ISO 14001 introductory course	2	70	Overview of ISO 14001 standard
	Education to train ISO 14001 environmental auditors	8	72	The ISO 14001 requirements, environment-related laws, and audit techniques
e-learning	Environmental risk management at service sites	1	1,956	Response to environmental laws and management points at service sites
	Waste management (for managers)	1	9,634	Waste management-related legal requirements and management points
	Waste management (for general employees)	1	12,164	Legal requirements and practice of waste management
	Environmental management for construction work	1	1,090	Environmental laws and regulations relating to construction work and their observation and management
	Environmental patrols of overseas production sites	1	821	Check points in environmental patrols of overseas production sites
Total		26	26,822	

Environment Month Report

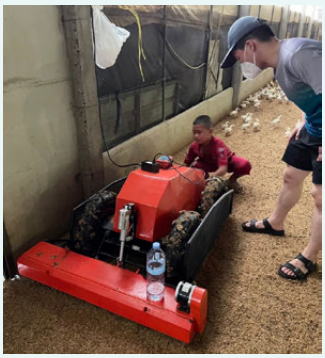
Raising Environmental Awareness of Employees and Families through the Kubota Eco-Challenge

The Kubota Group designates June of each year as “Environment Month” and promotes various programs to raise awareness among its employees. In 2024, we implemented activities with the theme of “Let’s Take on the Challenge of Carbon Neutrality!!”

As one of our Environment Month activities, we held the Kubota Eco Challenge, an environmental photo contest in which Group employees and their families around the world post photographs of eco activities at their workplaces and homes.



Environment Month poster


Development of an electric motor for managing straw bedding at a poultry farm (Thailand)


Tree planting at home farms (India)


Making biofertilizer from household green waste (Thailand)

Environmental Achievement Awards

The Kubota Group presents the Environmental Achievement Awards each year to commend individuals and groups that have made notable contributions to environmental conservation, as well as to boost the Group’s employees’ environmental conservation awareness and energize their environmental activities.

In FY2024, environmental conservation activities were evaluated in five categories: production, non-production, products, education and awareness-raising, and social contributions. Twenty-seven activities were recognized with an award for achievements in energy saving, waste reduction, VOC reduction, development of environment-conscious products, and educational and awareness-raising activities. Four of these were awarded the Excellent Prize.

We will continue to award excellent initiatives that contribute to regional or global environmental conservation, and encourage sharing of the details of such initiatives within the Group, with the aim of further motivating environmental conservation activities.

Environmental Achievement Award Excellent Prize in 2024

Category	Company, department	Theme
Production	Kubota Agricultural Machinery (Suzhou) Co., Ltd. (KAMS)(China)	KAMS environmental conservation activities
	Kverneland Group Les Landes Genusson (France)	Activities to reduce environmental impact
Product	Kubota Global Institute of Technology (KGIT) (Japan)	Electric tractor LXe-261 D42 (Europe)
	Escorts Kubota Limited (India)	Electric tractor FT 25G Mechanical Transmission (North America and Europe)

Environmental Achievement Awards in 2024 by categories

Category	Classification, No. of winners
Production	Excellent Prize: 2, Encouragement Award: 13
Non-production	Encouragement Award: 3
Product	Excellent Prize: 2, Encouragement Award: 5

Category	Classification, No. of winners
Education and awareness-raising	Education and Awareness-Raising Award: 1
Social contributions	Social Contributions Award: 1

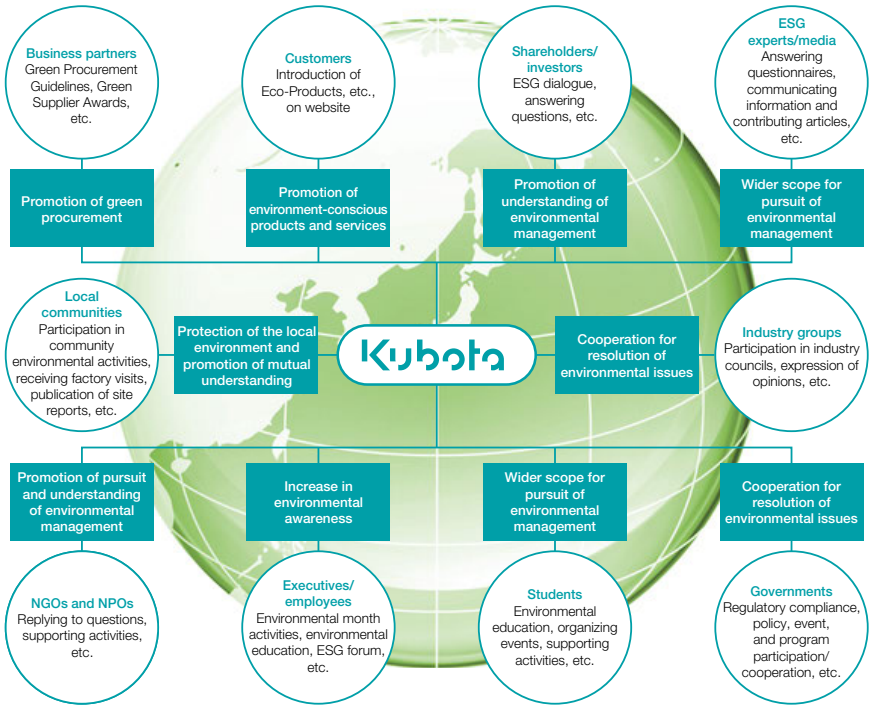
Environmental Communication

Since it published its first Environmental Report in FY1999, the Kubota Group has continued to disclose environmental information. Along with the globalization of its businesses, the Group has enhanced the content of the environmental information it discloses, to allow the Group's global initiatives to be better understood. To expand and improve disclosures further, the Group will continue to engage in dialogue with stakeholders and further disclose information in line with international standards, such as the environmental reporting guidelines of the Japanese Ministry of the Environment, the GRI Standards, the recommendations of the TCFD and the TNFD, and the EU's Corporate Sustainability Reporting Directive.

Each business site also works to enhance understanding of the environmental conservation activities by the local residents and family members of employees by participating in local environmental conservation activities and other environmental communication activities, such as environmental education and protection of the natural environment, for the purpose of achieving symbiosis with local communities.

Environmental Communication Activities

To practice environmental management globally, the Kubota Group is committed to deepening mutual understanding via dialogue with various stakeholders. The opinions and feedback gained from dialogue are used to improve Group environmental management practices with the aim of meeting social expectations and addressing societal issues.



Cooperation with Environment-related Industry Groups and Governments

The Kubota Group believes that in promoting environmental conservation, it is important to promote environmental conservation initiatives not only within its Group but also in cooperation with various sectors, such as the national or local government and relevant industry groups. Through participating in programs and campaigns hosted by government organs and establishing partnerships with various organizations, the Group aims to create synergy and conduct more effective environmental conservation activities.

Participating in Systems, Verification Programs, Campaigns by the National Government

In May 2010, the Kubota Group was certified by the Japanese Minister of the Environment as an "Eco-First Company," and has been a member of the Eco-First Promotion Council since then. Through the Council, the Group submits proposals to, or exchanges opinions with, the Ministry of the Environment, supports Eco-First companies promoting environmental conservation activities and enhancing cooperation between companies, and engages in activities to raise the environmental awareness of the public. The Group also supports the Decokatsu (decarbonization and eco) national movement, which encourages changes in the behavior and lifestyles of citizens and consumers, as well as the Water Project to raise awareness concerning water circulation and conservation of the water environment. In addition, the Group was also selected as a "Zero-Emissions Challenge" company in the Ministry of Economy, Trade and Industry's project for promoting innovation to realize a decarbonized society.

We have participated in the GX League established by the Ministry of Economy, Trade and Industry since April 2023. By participating in the league, we will promote our initiatives for realizing carbon neutrality and cooperate with participating companies and organizations in an effort to transform the entire socioeconomic system.

Zero-Emissions Challenge logo

GX League logo

Participating in Industry Groups

The Kubota Group is a member of various environment-related committees in the Kansai Economic Federation and other industry groups it is participating in. The committee activities help deepen understanding of the roles that companies should play in addressing environmental issues such as climate change, while providing opportunities to share information and exchange opinions on energy and environmental policies. In addition, the Group actively participates in initiatives to promote global environmental conservation.

- **Major participating groups**

  Industry groups: Japan Business Federation, Kansai Economic Federation, Japan Society of Industrial Machinery Manufacturers, etc.
  Environmental initiatives: Japan Climate Initiative, Task Force on Climate-Related Financial Disclosures (TCFD), Taskforce on Nature-related Financial Disclosures (TNFD), Keidanren Initiative for Biodiversity Conservation, Japan Hydrogen Association (JH2A)

Supporting the TCFD and TNFD Recommendations

The Kubota Group considers mitigating and adapting to climate change to be one of the material issues for environmental management. We are making efforts to respond to climate change through environment-conscious products, technologies, services, and corporate activities. Also, our business activities depend on natural capital and have the potential to impact it. We are therefore committed to the conservation of biodiversity and natural capital through our business activities so that we can continue to implement sustainable management practices. To further enhance stakeholder communication, we demonstrated our support of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in January 2020. And in February 2024, we announced our support of the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and signed up as a TNFD Adopter.

Participation in JCI activities

The Kubota Group has participated in the activities of the Japan Climate Initiative (JCI) since October 2018. JCI participants include Japanese companies, local governments, NGOs and others who aim to realize a carbon-free society.

Dialogue and Collaboration with Local Governments

The Kubota Group proactively participates in various committees of Osaka City and other local governments and their related groups, and works to establish partnerships with them. The Group promotes industry-government-academia collaboration through participating in discussions and opinion exchanges on environmental issues, and various activities.

- **Major collaborating groups/partners**

  Osaka City "Environmental Management Promotion Council," and so on.

Receiving Environmental Awards

Kubota Global Institute of Technology Received the Highest Award at the 2024 Energy Conservation Awards

Kubota's Global Institute of Technology won the Minister of Economy, Trade and Industry Award (ZEB/ZEH category) in the energy conservation category at the 2024 Energy Conservation Awards.

This award is given each year by the Energy Conservation Center, a Japanese public foundation, to recognize outstanding efforts of energy-saving initiatives, as well as products and business models that excel in energy efficiency, among companies, local governments, and educational institutions in Japan.

Kubota was one of three companies to receive this award, along with Obayashi Corporation and Taikisha Ltd., having applied under the theme of "ZEB acquisition and energy conservation activities among Japanese R&D facilities with the largest workplaces."

Exterior view of the Kubota Global Institute of Technology (Japan)

Kubota Engine (Thailand) Co., Ltd. Receives the Green Industry Award (Level 4)

Kubota Engine (Thailand) Co., Ltd. received the Green Industry Award (Level 4) from the Thailand Department of Industrial Works (DIW). The award is intended to promote sustainable industrial activities that are considerate of the environment by recognizing outstanding corporate initiatives in areas such as environmental management, energy efficiency, and waste management.

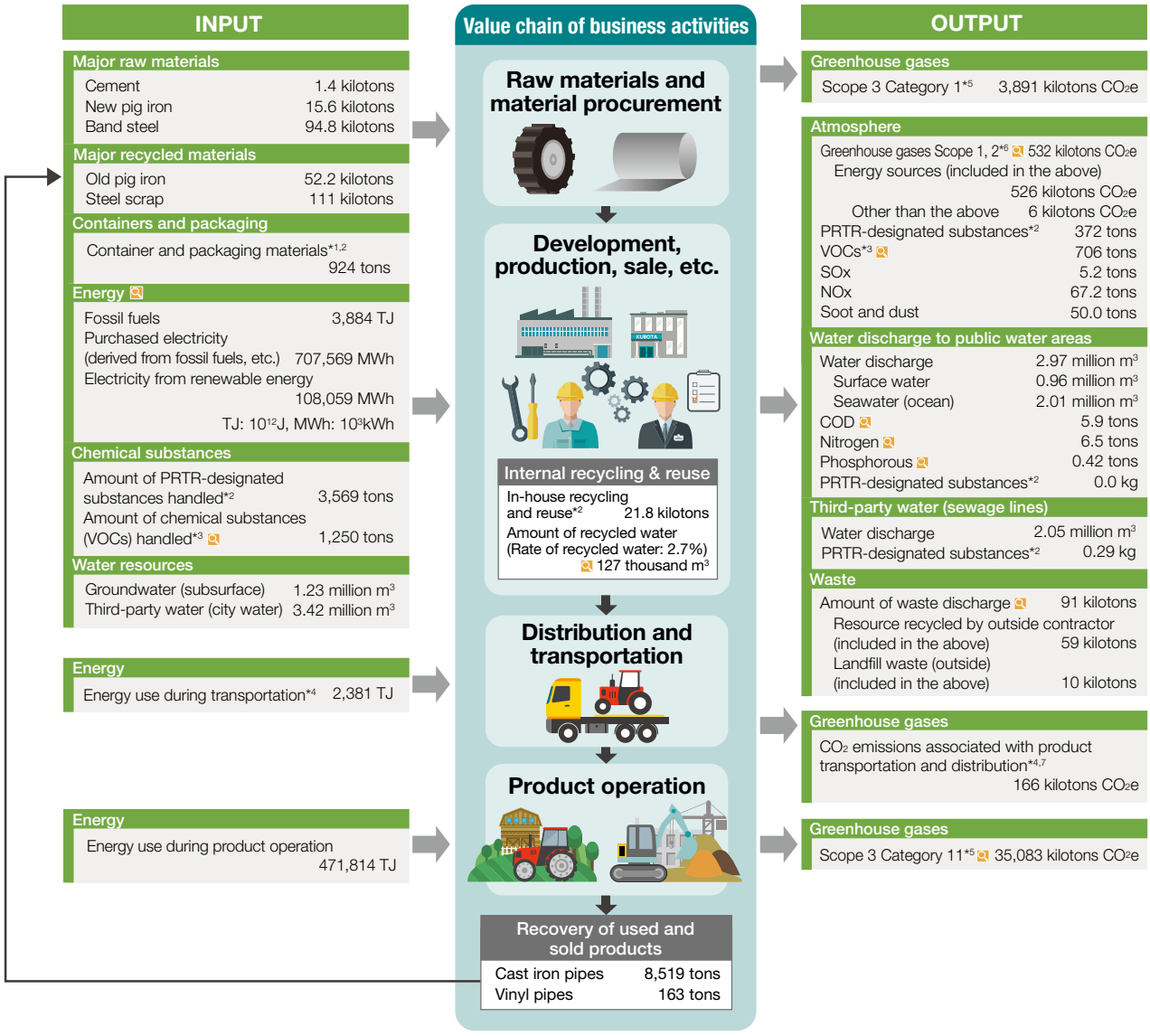
Award ceremony held by the Thailand Department of Industrial Works (DIW)

Environmental Data

Overview of the Environmental Load on the Value Chain

This is an overall summary of the Kubota Group's environmental loads associated with its diverse business activities in Japan and overseas in FY2024. The results of the measurement of the overall environmental loads on the entire value chain, from the procurement of raw materials, to manufacturing, distribution, sales, consumption, and the recycling of waste are used for the reduction of greenhouse gas emissions and the effective utilization of resources.

Overview of the Environmental Loads on the Value Chain (Results in FY2024)



*1 Packaging materials subject to the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging, Japan
*2 Data for Japan
*3 VOCs (volatile organic compounds) comprise the five substances that are most prevalent in emissions from the Kubota Group: xylene, toluene, ethylbenzene, styrene, and trimethylbenzene.
*4 Data for Japan and data associated with the overseas shipping of certain products from Japan, excluding procurement and transportation
*5 For Greenhouse gases Scope 3, only parts of the categories are presented. For more details, see the CO_2 Emissions throughout the Value Chain (p.32).
*6 CO_2 emissions refers to emissions from all Kubota Group sites (100%).
*7 CO_2 emissions excluding procurement and transportation from Scope 3 Category 4

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

Trends in Major Environmental Indicators

Energy

Environmental indicators			Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Energy	Amount of fossil fuel consumption	Overall	TJ	4,400	4,732	4,664	4,351	3,884
		Natural gas included in the above	TJ	2,450	2,690	2,696	2,447	2,304
	Amount of electricity consumption derived from fossil fuels	Amount of purchased electricity (derived from fossil fuels, etc.)*1	MWh	708,209	770,262	757,528	701,608	707,569
		Amount of electricity from cogeneration	MWh	2,398	2,597	2,326	2,429	2,466
	Amount of electricity consumption from renewable energy	Amount of solar power generation (generated and consumed on site)	MWh	5,683	6,244	10,179	14,434	17,327
		Amount of purchased electricity (from renewable energy)*2	MWh	0	5,184	58,005	117,853	90,733

Environmental indicators		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Energy	Energy consumption	TJ	11,362	12,319	12,642	11,487	10,850

CO_2 Emissions

Environmental indicators			Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Greenhouse gases	Scope 1, 2*3		kilotons CO_2e	570	613	585	560	532
		Energy sources	kilotons CO_2e	564	607	578	553	526
		Other than the above	kilotons CO_2e	6	6	7	7	6

Resources and Materials

Environmental indicators		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Major raw materials	Cement	kilotons	2.8	2.4	2.0	1.6	1.4
	New pig iron	kilotons	6.4	7.8	6.1	5.0	15.6
	Band steel	kilotons	100	114	109	94	94.8
Major recycled materials	Old pig iron	kilotons	69.2	77.0	62.4	58.8	52.2
	Steel scrap	kilotons	172	177	161	146	111
Containers and packaging	Container and packaging materials (Japan)*4	tons	879	1,005	881	821	924

Waste

Environmental indicators				Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Waste, others	Amount of waste discharge*5			kilotons	100	117	112	102	91
	Hazardous waste	Discharge*6		kilotons	7.6	7.6	7.9	8.3	7.5
			Recycled or reduced	kilotons	6.4	6.2	6.1	6.2	5.2
			Landfill waste	kilotons	0.2	0.2	0.3	0.5	0.6
			Incinerated (heat recovery)	kilotons	1.0	1.2	1.5	1.6	1.7
	Non-hazardous waste	Discharge*6,7		kilotons	93	109	104	93	84
	By treatment category	Resources recycled by outside contractor		kilotons	66	79	75	68	59
		Landfill waste (outside)		kilotons	11	13	11	12	10

*1 Figures for FY2022 and FY2023 have been revised in order to improve accuracy.
*2 Figures for FY2023 have been revised in order to improve accuracy.
*3 CO_2 emissions refers to emissions from all Kubota Group sites (100%).
*4 Packaging materials subject to the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging, Japan
*5 Totals shown may differ from the simple sum of values shown due to rounding.
*6 Figures from FY2020 through FY2023 have been adjusted in order to improve accuracy.
*7 Non-hazardous waste = Amount of waste discharge - Amount of hazardous waste

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

Water Resources

Environmental indicators		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Water withdrawal		million m^3	4.36	4.61	5.12	5.13	4.65
	Surface water		0.00	0.00	0.00	0.00	0.00
	Groundwater (subsurface)		0.79	0.80	1.31	1.27	1.23
	Seawater (ocean)		0.00	0.00	0.00	0.00	0.00
	Produced water		0.00	0.00	0.00	0.00	0.00
	Third-party water (city water*1)		3.57	3.81	3.81	3.86	3.42

Environmental indicators		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Water withdrawal from water-stressed regions		million m^3	0.25	0.30	0.70	0.80	0.83
	Surface water		0.00	0.00	0.00	0.00	0.00
	Groundwater (subsurface)		0.01	0.05	0.40	0.38	0.41
	Seawater (ocean)		0.00	0.00	0.00	0.00	0.00
	Produced water		0.00	0.00	0.00	0.00	0.00
	Third-party water (city water*1)		0.24	0.25	0.30	0.42	0.42

Water System Discharge

Environmental indicators		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total water discharge in all regions		million m^3	4.37	4.88	5.01	5.25	5.02
	Surface water		1.31	1.46	1.10	0.98	0.96
	Groundwater (subsurface)		0.00	0.00	0.00	0.00	0.00
	Seawater (ocean)		1.70	1.90	1.93	2.12	2.01
	Third-party water (sewerage)		1.36	1.52	1.98	2.15	2.05
Effluent discharge	COD*2	tons	5.8	6.3	5.5	7.0	5.9
	Nitrogen discharge*2	tons	5.8	6.2	6.3	6.3	6.5
	Phosphorous discharge*2	tons	0.30	0.34	0.35	0.38	0.42
Amount of PRTR-designated substances released (Japan: public waters)		kg	0.4	0.0	0.0	0.0	0.0
Amount of PRTR-designated substances transferred (Japan: sewerage)		kg	0.4	0.5	0.4	0.3	0.3

*1 City water includes service water and water for industrial use.
*2 Calculations until FY2022 are for sites in Japan subject to total volume control under the Water Pollution Prevention Act. Calculations from FY2023 are for sites in Japan and overseas that discharge into public waters and are subject to concentration regulations and measurement reporting obligations.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

Chemical Substances

	Environmental indicators	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Chemical substances	Amount of PRTR-designated substances handled (Japan)	tons	4,276	4,426	4,385	3,733	3,569
	Amount of chemical substances (VOCs) handled*1,2	tons	1,291	1,302	1,398	1,413	1,250

Atmospheric Discharge

	Environmental indicators	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Atmosphere	Amount of PRTR-designated substances released (Japan)	tons	403	408	369	380	372
	VOC emissions*1,2	tons	541	565	702	759	706
	SOx emissions*3,4	tons	7.9	2.9	5.3	5.5	5.2
	NOx emissions*3	tons	50.8	56.1	65.3	62.9	67.2
	Soot and dust emissions*3,5	tons	16.3	19.2	37.2	39.1	50.0

*1 VOCs (volatile organic compounds) refer to the substances that are most prevalent in the emissions of the Kubota Group. Up until FY2022, there were six substances: xylene, toluene, ethylbenzene, styrene, 1, 2, 4-trimethylbenzene, and 1, 3, 5-trimethylbenzene. From FY2023 there have been five substances: xylene, toluene, ethylbenzene, styrene, and trimethylbenzene.
*2 Figures for FY2022 and FY2023 have been adjusted in order to improve accuracy.
*3 Japan data is for facilities that generate soot and smoke and are regulated by the Air Pollution Control Act. Overseas data from FY2019 through FY2021 is for facilities subjected to measurement requirements under local laws and regulations where business sites are located. Data for FY2022 onward is for facilities subjected to measurement requirements under local laws and regulations where business sites are located for SOx, NOx, and soot and dust generated from the use of fuel, the incineration of other matter, or electricity as a heat source.
*4 If sulfur contained in the slag managed onsite by some sites in Japan is included, SOx emissions is 4.3 tons for FY2020, 5.0 tons for FY2021, and 4.9 tons for FY2022. Since FY2023 there has been no slag managed onsite.
*5 The figure for FY2023 has been revised in order to improve accuracy.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

Calculation Results of PRTR-designated Substances

FY2024 Results of PRTR Reporting (Japan)

PRTR control number	Chemical substance	Releases				Transfers	
		Atmosphere	Public water areas	Soil	On-site landfills	Sewerage	Transfers to off-site
20	2-Aminoethanol	0.0	0.0	0.0	0.0	0.0	1,108
53	Ethylbenzene	96,323	0.0	0.0	0.0	0.0	10,177
80	Xylene	127,360	0.0	0.0	0.0	0.0	12,141
87	Chromium and chromium (III) compounds	0.04	0.0	0.0	0.0	0.0	5,142
132	Cobalt and its compounds	0.5	0.0	0.0	0.0	0.0	5.8
188	N,N-Dicyclohexylamine	0.0	0.0	0.0	0.0	0.0	0.0
240	Styrene	10,530	0.0	0.0	0.0	0.0	0.0
277	Triethylamine	14	0.0	0.0	0.0	0.0	0.7
300	Toluene	52,641	0.0	0.0	0.0	0.0	12,616
308	Nickel	3.6	0.0	0.0	0.0	0.0	198
349	Phenol	0.0	0.0	0.0	0.0	0.0	0.0
392	Hexane	2.7	0.0	0.0	0.0	0.0	0.0
400	Benzene	0.0	0.0	0.0	0.0	0.0	0.0
412	Manganese and its compounds	0.3	0.0	0.0	0.0	0.0	58,375
448	Methylenebis (4,1-phenylene) diisocyanate	0.0	0.0	0.0	0.0	0.0	33
453	Molybdenum and its compounds	0.0	0.0	0.0	0.0	0.0	0.03
567	Di-2-ethylhexyl adipate	9,376	0.0	0.0	0.0	0.0	0.0
585	alpha-(Isocyanatobenzyl)-omega-(isocyanatophenyl) poly[(isocyanatophenylene)methylene]	5,913	0.0	0.0	0.0	0.0	0.0
594	Ethylene glycol monobutyl ether	10,179	0.0	0.0	0.0	0.0	177
627	Diethylene glycol monobutyl ether	12,564	0.0	0.0	0.0	0.0	0.0
664	Organic tin compounds	0.0	0.0	0.0	0.0	0.0	16
691	Trimethylbenzene	36,382	0.0	0.0	0.0	0.0	2,556
697	Lead and its compounds	20	0.0	0.0	0.0	0.3	3,165
731	Heptane	2,028	0.0	0.0	0.0	0.0	0.0
737	Methyl isobutyl ketone	9,056	0.0	0.0	0.0	0.0	1,520
Total		372,393	0.0	0.0	0.0	0.3	107,228

Scope: Total of substances with annual handling volume of one ton or more (0.5 ton or more for Specific Class 1 Designations) at each business site (designated substances after the amended PRTR law ordinance came into effect on April 1, 2023)
Unit: kg/year

Five VOCs substances targeted for reduction in Medium-Term Environmental Conservation Targets 2025

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.92).

Environmental Accounting

The Kubota Group performs environmental accounting and publicizes data about the cost of investments in environmental conservation and the economic and environmental benefits of these investments.

Environmental Conservation Costs

(Yen in millions)

Classifications		Main costs	FY2023		FY2024	
			Investment	Costs	Investment	Costs
Within the business area cost			1,038	3,146	2,067	3,577
	Local environmental conservation cost	Cost of preventing air and water pollution, soil contamination, noise, and vibration.	313	645	643	648
	Global environmental conservation cost	Prevention of climate change, etc.	720	1,224	1,424	1,195
	Resource recycling cost	Cost of treating, disposing, reducing, minimizing, and recycling waste, as well as efficiently utilizing resources	5	1,277	0.2	1,734
Upstream and downstream costs		Collection of used products and commercialization of recycled products	0	25	0	40
Management activities cost		Environmental management personnel, ISO maintenance and implementation, environmental information dissemination	8	2,032	5	2,262
R&D cost		R&D for reduction of product environmental load and developing environment conservation equipment	2,136	15,233	1,609	19,007
	Farm & Industrial Machinery		641	8,990	784	11,546
	Water & Environment		641	3,432	531	4,472
	Common		854	2,811	294	2,989
Social activities cost		Local cleanup activities, and membership fees and contributions to environmental groups, etc.	0	1	0	1
Environmental remediation cost		Contributions and impositions, etc.	0	88	0	92
Total			3,182	20,524	3,681	24,978

Total capital investment (including land) for the corresponding period (consolidated data)	215,400
Total R&D costs for the corresponding period	110,300

Environmental Conservation Effects

Effects	Items	FY2023	FY2024
Environmental effects related to resources input into business activities	Energy consumption (TJ)	6,530	6,253
	Water withdrawal (million m^3)	3.64	3.28
Environmental effect related to waste or environmental impact originating from business activities	CO_2 emissions (energy-related CO_2) (kilotons CO_2e)	340	299
	SOx emissions (tons)	1.0	2.0
	NOx emissions (tons)	29.3	20.8
	Soot and dust emissions (tons)	4.1	3.3
	Releases and transfers of PRTR-designated substances (tons)	494	480
	Waste discharge (kilotons)	61.6	54.3
	Waste to external landfills (kilotons)	1.8	1.4

Economic Effects

(Yen in millions)

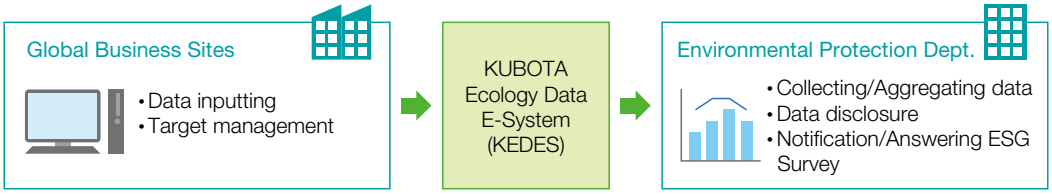
Classifications	Details	Annual effects of the year ended December 31, 2024
Energy conservation measures	Switch melting furnace (cupola) to electric furnace, improve the operations of production facilities, and switch to more efficient air-conditioning systems	963
Zero-emissions measures	Reduce the amount of industrial waste; promote resource recycling	211
	Sales of valuable resources	2,595
Total		3,769

<Environmental accounting principles>
1) The period is from January 1, 2024 to December 31, 2024.
2) The data of business sites in Japan is considered in the calculation.
3) Data was calculated referring to the Environmental Accounting Guidelines 2005, published by Japan's Ministry of the Environment.
4) "Costs" includes depreciation costs.
Depreciation cost was calculated based on the standards applied to Kubota's financial accounting.
"Management activities" and "R&D costs" include personnel expenses.
"Resource recycling costs" does not include costs incurred during disposal of construction waste at construction sites.
"R&D costs" represents that which was spent on environmental purposes, calculated on a pro-rata basis.
5) "Economic effects" is obtained only by adding up tangible results and does not include estimated effects.

Calculation Standards of Environmental Performance Indicators

In order to practice environmental conservation activities on a global scale, the Kubota Group utilizes the "KUBOTA Ecology Data E-System" (KEDES) to collect environmental data, which includes information from our business sites on their energy usage, amounts of generated and discharged waste, water withdrawal, and VOC emissions, etc.

"KEDES" is a system that collectively manages environmental data at global business sites. Staff at each business site register monthly environmental data, which is used for target management of their own site. The Environmental Protection Department aggregates and analyzes the data, and uses it for reporting inside and outside the Group. The boundary of the environmental data aggregation covers Kubota Corporation and all (100%) of its consolidated subsidiaries.



Period and Organizations Covered by Environmental Data

FY	Period		Organizations covered (No. of companies)			
	Data in Japan	Overseas data	Kubota/Consolidated subsidiaries*3			Affiliated companies accounted for under the equity method*4
			Japan	Overseas	Total	
2014	April 2014 to March 2015	January 2014 to December 2014	53	103	156	12
2015	April 2015 to March 2016	January 2015 to December 2015*1	51	102	153	13
2016	January 2016 to December 2016	January 2016 to December 2016*2	48	125	173	12
2017	January 2017 to December 2017	January 2017 to December 2017	49	125	174	9
2018	January 2018 to December 2018	January 2018 to December 2018	49	124	173	8
2019	January 2019 to December 2019	January 2019 to December 2019	49	126	175	8
2020	January 2020 to December 2020	January 2020 to December 2020	45	128	173	8
2021	January 2021 to December 2021	January 2021 to December 2021	45	130	175	8
2022*5	January 2022 to December 2022	January 2022 to December 2022	45	155	200	9
2023	January 2023 to December 2023	January 2023 to December 2023	43	156	199	10
2024	January 2024 to December 2024	January 2024 to December 2024	44	151	195	10

*1 Although the accounting period of FY2015 is nine months (April 2015 to December 2015) due to the change of the account closing time, the period for the environmental data is set to be one year. Consolidated net sales used to calculate the environmental load per unit of consolidated net sales (CO_2 emissions, energy use, CO_2 emissions during distribution, amount of waste discharged, water withdrawal, VOC emissions, amount of PRTR-designated substances released and transferred) for FY2015 are the total consolidated sales from April 2015 to March 2016.

*2 For FY2016, of the overseas consolidated subsidiaries, for Great Plains Manufacturing, Inc. (GP), which became a consolidated subsidiary in July 2016, the period of its environmental data is six months (July 2016 to December 2016), and the data except for its four major production sites (accounting for over 80% of sales of the GP Group in FY2016) and four major non-production sites (accounting for over 90% of the employees of non-production sites of the GP Group in FY2015) is estimated. Data of the amount of chemical substances (VOC) handled and VOC emissions is excluded from the calculation.
From FY2017, the data for all of the GP Group sites is calculated based on results.

*3 The coverage of consolidated subsidiaries is 100% for each year.

*4 Part of the affiliated companies accounted for under the equity method are covered by the data.

*5 In FY2022, the environmental data for the companies acquired is collected since the acquisition months, ROC S.r.l. from January, Escorts Kubota Ltd. (EKL) and Pulverizadores Fede, S.L.U. from April, Kubota Gianni Ferrari S.r.l. from August, and Kubota Brabender Technologies GmbH from October, respectively.
EKL data has been estimated for its 49 non-production sites, with the exception of the seven production sites and two primary non-production sites.

Energy and CO_2-related

Indicator (unit)	Calculation method
Number of companies/ production sites	• All sites of Kubota, consolidated subsidiaries (195 companies), and affiliated companies (10 companies) including production sites (73 sites) are covered.
Energy use (J)	• Energy use = Amount of electricity consumed at business sites × per-unit heat value + Σ [amount of each fuel consumed × per-unit heat value of each fuel] Energy consumption does not include electricity from cogeneration. • Per-unit heat value is determined in accordance with the Act on Rationalization of Energy Use and Shift to Non-fossil Energy, Japan.
CO_2 emissions (tons CO_2e)	• CO_2 emissions = CO_2 emissions from energy sources + non-energy source greenhouse gas emissions • CO_2 emissions from energy sources = Amount of purchased electricity consumed at business sites × CO_2 emission coefficient + Σ [amount of each fuel consumed at business sites × per-unit heat value of each fuel × CO_2 emission coefficient of each fuel] • Non-energy source greenhouse gas emissions = CO_2 emissions from non-energy sources + non-CO_2 greenhouse gas emissions • Per-unit heat value is determined in accordance with the Act on Rationalization of Energy Use and Shift to Non-fossil Energy, Japan. • CO_2 emission coefficients [FY2014 to FY2015] <Fuel> Based on the Manual for Calculation and Report of Greenhouse Gas Emissions (the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry) <Electricity> Data for Japan is basic emission coefficients for each electricity utility, and overseas data is according to the GHG emissions from purchased electricity (GHG Protocol). [FY2016 to FY2024] <Fuel> Based on the greenhouse gas emissions accounting and reporting manual issued by the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry. <Electricity> • Data for Japan is from basic emission coefficients (effective emission coefficients) for each electricity utility data for FY2024 is from November 8, 2024 version • Overseas data is according to emission coefficients for each electricity utility, CO_2 Emissions from Fuel Combustion (IEA) or Emission Factors (IEA) and The Emissions & Generation Resource Integrated Database (eGRID) (EPA) (data for FY2024 is from Emission Factors 2024 and eGRID 2022). • The method for calculating non-energy source greenhouse gas emissions is based on the Manual for Calculation and Report of Greenhouse Gas Emissions (by Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry)
Energy use during transportation (J)	• Energy use during transportation = Σ [Freight traffic by truck × Fuel consumption per ton-kilometer × per-unit heat value] + Σ [Freight traffic by rail and water × Energy use (heat value) per unit ton-kilometer] • Calculation method is from the Energy Conservation Act Guidebook for Shipper revised in 2023 (Agency for Natural Resources and Energy, Japanese Ministry of Economy, Trade and Industry)
Energy use during product operation (J)	• Energy use during product operation = Σ [Number of product units shipped × Fuel consumption per hour × Annual hours of use × Years of lifespan × per-unit heat value of each fuel] • Products: agricultural machinery (tractors, rice transplanters, combine harvesters), riding mowers, utility vehicles, construction machinery (compact excavators, etc.), engines (external sales) • Calculated by assuming the fuel consumption per hour, annual hours of use, and years of service life for each product. • Per-unit heat value is according to the Manual for Calculation and Report of Greenhouse Gas Emissions (Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry)
Ratio of renewable energy usage (%)	• Ratio of renewable energy usage (%) = amount of electricity consumption from renewable energy / (amount of electricity consumption from renewable energy + amount of purchased electricity (derived from fossil fuels)) • Amount of electricity consumption from renewable energy = amount of solar power generation (generated and consumed on site) + amount of purchased electricity (from renewable energy) • The amount of electricity consumption from renewable energy is the amount of electricity consumed that was generated by solar power and hydro power, etc.

Scope 3 emissions-related

Indicator (unit)	Calculation method
Scope 3 emissions (tons CO_2e)	• The calculation method is based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain issued by the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry and the Emissions per Unit Database for the Purpose of Calculating the Greenhouse Gas and Other Emissions of Organizations throughout the Supply Chain (Ver.3.4)
Category 1 Resource extraction, manufacture and transportation related to purchased goods/ services	• Σ [Production volume × CO_2 emissions per unit] • Products: Agricultural machinery (tractors, rice transplanters, combine harvesters), riding mowers, utility vehicles, construction machinery (compact excavators, etc.), engines (external sales), ductile iron pipes, plastic pipes, pumps, air-conditioners, *Johkasou* • Production volume: Number of units shipped for agricultural machinery, riding mowers, utility vehicles, construction machinery, engines, pumps, air-conditioners, and *Johkasou*. Production weight for ductile iron pipes and plastic pipes. • CO_2 emissions per unit: Estimated from the CO_2 emissions per unit of production of the product
Category 2 Manufacture and transportation of capital goods such as purchased equipment	• Equipment investment amount × CO_2 emissions per unit
Category 3 Resource extraction, manufacture and transportation related to purchased fuels/energy	• Σ[Purchased electricity and fuel consumed at business sites × CO_2 emissions per unit] • CO_2 emission units are based on the LCI database IDEA version 2.3 (Research Laboratory for IDEA, Research Institute of Science for Safety and Sustainability, National Institute of Advanced Industrial Science and Technology, and Sustainable Management Promotion Organization)
Category 4 Upstream transportation and distribution	• [CO_2 emissions associated with procurement and transportation] = Procurement amount × CO_2 emissions per unit known to Kubota • [CO_2 emissions associated with product transportation] = Σ [Fuel consumption for freight shipment by truck × CO_2 emission per ton-kilometer by fuel of transportation] + Σ [Fuel consumption for freight shipment by rail and water × CO_2 emission per ton-kilometer by means of transportation] • Calculation method is based on the ton-kilometer method stipulated in the Manual for Calculation and Report of Greenhouse Gas Emission (Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry) • In addition to the data for Japan, CO_2 emissions associated with the overseas shipping of certain products from Japan has been included. Target products: Agricultural machinery (tractors, rice transplanters, combine harvesters), riding mowers, utility vehicles, construction machinery (compact excavators, etc.), engines • The scope of calculation includes CO_2 emissions associated with Kubota's transportation of waste. • CO_2 emissions from the procurement and transportation of some parts has been included from FY2021. Machinery production sites are subject to inclusion.
Category 5 Disposal of wastes discharged from business sites	• Σ [Amount of waste discharge by type × CO_2 emissions per unit] • The amount of waste discharge by type excludes the amount of waste discharge whose classification by type is unknown
Category 6 Employee business travels	• Σ [Transportation expenses paid by method of transport × CO_2 emissions per unit] • Transportation expenses paid by method of transport are for airline tickets and railway tickets. • For data of the overseas subsidiaries, it is partially estimated by multiplying the net sales of the subsidiaries in each of the regions and countries mentioned by the ratio of transportation expenses for each method of travel to the net sales of major subsidiaries in Europe, America, Asia and China.
Category 7 Employee commuting	• Σ [Transportation expenses paid by method of transport × CO_2 emissions per unit] • The amount of transportation expenses is for the amount paid for railway tickets and car travel. • CO_2 emissions for overseas subsidiaries have been included in addition to the data for Japan. For overseas subsidiaries, the data is partially estimated by multiplying the ratios of transportation expenses for each means of transportation among the number of employees at major subsidiaries by the number of employees at each subsidiary.
Category 9 Downstream Transportation and Distribution	• Amount of customer goods sold × CO_2 emissions per unit known to Kubota. Cast iron products transported by customers as the consigner are subject to inclusion.
Category 10 Processing of intermediate products	• Σ [Sales volume of intermediate products × CO_2 emissions per unit] • Intermediate products: Engines (external sales only), ductile iron pipes and plastic pipes • Sales volume: Number of units shipped for engines, production weight for ductile iron pipes and plastic pipes. • CO_2 emissions per unit: For engines, CO_2 emissions per unit at Kubota Group's processing plants from FY2016-2020. For ductile iron pipes and plastic pipes, it is estimated from CO_2 emissions during construction work per unit of shipped weight.
Category 11 Use of products sold	• Σ [Volume of products shipped × CO_2 emissions per unit] • Products: Agricultural machinery (tractors, rice transplanters, combine harvesters, sprayers, compact agricultural machinery), riding mowers, utility vehicles, construction machinery (compact excavators, etc.), engines (external sales), precision equipment, pumps, air-conditioners, *Johkasou*, plant equipment • Shipment volume: Number of units shipped for agricultural machinery, riding mowers, utility vehicles, construction machinery, engines (including the number of units shipped within the Group from production sites to sales sites before being sold to customers). Number of unit sales for pumps, air-conditioners, *Johkasou*, and plant equipment. • CO_2 emissions per unit: Fuel consumption per hour × Annual hours of use × Years of lifespan × per unit heat value of each fuel × CO_2 emission coefficient of each fuel (calculated by assuming the fuel consumption per hour, annual hours of use, and years of service life for each product) • Per-unit heat value is according to the Manual for Calculation and Report of Greenhouse Gas Emissions (Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry) • CO_2 emission coefficients <Fuel> Based on the Manual for Calculation and Report of Greenhouse Gas Emissions (the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry) <Electricity> Based on the Emission Factors (IEA)
Category 12 End-of-life treatment of sold products	• Σ [Volume of products shipped × CO_2 emissions per unit] • Products: Agricultural machinery (tractors, rice transplanters, combine harvesters), riding mowers, utility vehicles, construction machinery (compact excavators, etc.), engines (external sales), ductile iron pipes, plastic pipes, pumps, air-conditioners, *Johkasou* • Shipment volume: Number of units shipped for agricultural machinery, riding mowers, utility vehicles, construction machinery, engines, pumps, air-conditioners, and *Johkasou*. Production weight for ductile iron pipes and plastic pipes. • CO_2 emissions per unit: estimated CO_2 emissions per unit of product

Waste-related

Indicator (unit)	Calculation method
Number of companies/ production sites	• All sites of Kubota, consolidated subsidiaries (195 companies), and affiliated companies (10 companies) including production sites (73 sites) are covered.
In-house recycling and reuse (tons)	• The amount of resources that are reused or recycled in-house at each Kubota Group business site, and the amount of resources transferred for the purpose of reuse and recycling among Kubota Group business sites
Amount of waste, etc., discharge (tons)	• Amount of waste, etc., discharge = sales amount of valuable resources + amount of waste discharge
Amount of valuable resources sold (tons)	• The amount of unneeded resources generated within the Kubota Group that are sold outside the Group
Amount of waste discharge (tons)	• Amount of waste discharge = Amount of industrial waste discharge + Amount of general waste discharge from business activities
Hazardous waste (tons)	• In Japan, specially controlled industrial waste as defined in the Waste Management and Public Cleansing Law; Overseas, waste that is defined as hazardous in each country or region
Amount of resource recycling (tons) Amount of volume reduction (tons) Amount of landfill disposal (tons)	• Amount of resource recycling = Amount of waste directly recycled + Amount of resource recycling after external intermediate treatment • Amount of volume reduction = Volume of external intermediate treatment – Amount of resource recycling after external intermediate treatment – Final landfill following external intermediate treatment • Amount of landfill disposal = Direct landfill disposal + Final landfill disposal following external intermediate treatment • Amount of resource recycling after external intermediate treatment includes heat recovery • Amount of resource recycling after external intermediate treatment, amount of final landfill disposal, and amount of volume reduction are calculated based on the results of surveys at the contractor.
Recycling ratio (%)	• Recycling ratio = (Sales amount of valuable resources + external recycling amount) / (Sales amount of valuable resources + external recycling amount + amount of landfill disposal) × 100 • External recycling amount includes heat recovery

Water-related

Indicator (unit)	Calculation method
Number of companies/ production sites	• All sites of Kubota, consolidated subsidiaries (195 companies), and affiliated companies (10 companies) including production sites (73 sites) are covered.
Water withdrawal (m^3)	• Water withdrawal = surface water + groundwater (subsurface) + seawater (ocean) + produced water + third-party water (city water) • Water withdrawal from water-stressed regions applies to production sites with a “high” level of water stress • Third-party water (city water) includes service water and water for industrial use
Water discharge (m^3)	• Water discharge = surface water + groundwater (subsurface) + seawater (ocean) + third-party water (sewage) • Water discharge includes rain and spring water at some business sites
Amount of recycled water (m^3)	• Amount of water purified in on-site effluent treatment facilities and recycled (excluding the circulating cooling water used)
Rate of recycled water (%)	• Rate of recycled water = Amount of recycled water / (Water withdrawal + Amount of recycled water) × 100
COD (tons) Nitrogen discharge (tons) Phosphorus discharge (tons)	• COD = COD per unit water discharge amount × water discharge to public water areas • Nitrogen discharge = nitrogen concentration × water discharge to public water areas • Phosphorous discharge = Phosphorous concentration × water discharge to public water areas • Calculations until FY2022 are for sites in Japan subject to total volume control under the Water Pollution Prevention Act. Calculations from FY2023 are for sites in Japan subject to total volume control under the Water Pollution Prevention Act and for overseas sites that discharge into public waters and are subject to concentration regulations and measurement reporting obligations.

Chemical Substance-related

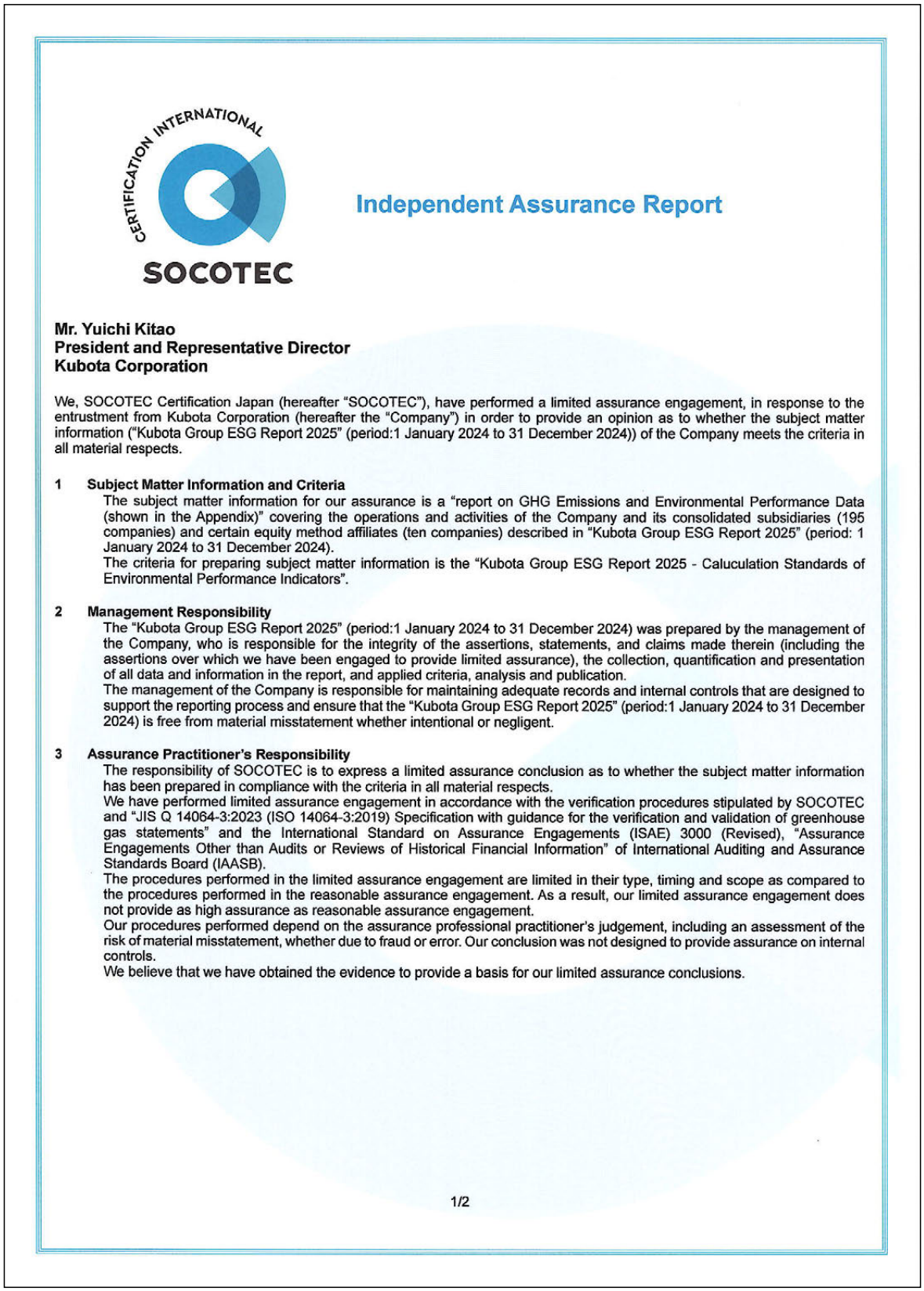
Indicator (unit)	Calculation method
Number of companies/ production sites	• All Kubota Group production sites (73 sites)
Amount of PRTR-designated substances handled (tons)	• Total amount of chemical substances handled at Japanese sites, which are designated as Class I under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (the PRTR Law) whose amount handled by each business site is one ton or more (or 0.5 ton or more for Specific Class I Designated Chemical Substances) per year
Amount of PRTR-designated substances released and transferred (tons)	• Total release and transfer amount of the chemical substances which are designated as Class I under the PRTR Law at Japanese sites and whose annual total amount handled by each business site is one ton or more (or 0.5 ton or more for Specific Class I Designated Chemical Substances). • Amount released = amount discharged to the atmosphere + amount discharged to public water areas + amount discharged to soil + amount disposed of by landfill in the premises of the business site • Amount transferred = amount discharged to sewerage + amount transferred out of the business site as waste • The amount of each substance released and transferred is calculated in accordance with the Manual for PRTR Release Estimation Methods Ver. 5.1 (March 2024) of Japan's Ministry of the Environment and the Ministry of Economy, Trade and Industry, and the Manual for PRTR Release Estimation Methods in the Steel Industry Ver. 13 (March 2014) of the Japan Iron and Steel Federation.
Amount of chemical substances (VOC) handled (tons)	• Until FY2022, the six substances of xylene, toluene, ethylbenzene, styrene, 1,2,4-trimethylbenzene, and 1,3,5-trimethylbenzene. From FY2023, the five substances of xylene, toluene, ethylbenzene, styrene, and trimethylbenzene. • Of these substances, the total amount handled at each site where one ton or more is handled annually
VOC emissions (tons)	• Until FY2022, the six substances of xylene, toluene, ethylbenzene, styrene, 1,2,4-trimethylbenzene, and 1,3,5-trimethylbenzene. From FY2023, the five substances of xylene, toluene, ethylbenzene, styrene, and trimethylbenzene. • Of these substances, the total amount released at each site where one ton or more is handled annually
SOx emissions (tons) NOx emissions (tons) Soot and dust emissions (tons)	• SOx emissions = Amount of fuel consumed (kg) × sulfur content in the fuel × (1 – desulfurization efficiency) × 64/32 or SOx emissions = {(amount of coke consumed × sulfur content in coke) - (amount of molten metal × sulfur content in molten metal) – (volume of slag, dust, etc. × sulfur content in slag, dust, etc.)} × 64/32 or SOx emissions = SOx concentration × amount of gas emitted per hour × annual operation hours of the relevant facility • NOx emissions = NOx concentration × amount of gas emitted per hour × annual operation hours of the relevant facility • Soot and dust emissions = soot and dust concentration × amount of gas emitted per hour × annual operation hours of the relevant facility • Japan: Facilities that generate soot and smoke and are regulated by the Air Pollution Control Act. Overseas: [Until FY2021] • Facilities subjected to measurement requirements under local laws and regulations where business sites are located. [FY2022 onward] • Facilities subjected to measurement requirements under local laws and regulations where business sites are located for SOx, NOx, and soot and dust generated from the use of fuel, the incineration of other matter, or electricity as a heat source.

Product-related

Indicator (unit)	Calculation method
Sales ratio of Eco-Products (%)	• Sales ratio of Eco-Products = Sales of Eco-Products / sales of products (excluding construction work, services, software, parts, and accessories) × 100 • The figures include net sales of the ceramic material TXAX.
Usage ratio of recycled materials (%)	• Usage ratio of recycled materials = Σ {production volume of target products at each production site × usage ratio of recycled materials at each production site} / total production weight of target products • Usage ratio of recycled materials at each production site = Amount of recycled materials input in the melting process at each production site / total material input amount of materials at each production site × 100 • Target products: Cast metal products and parts manufactured by the Kubota Group (such as ductile iron pipes, fittings, machine cast products (engine crankcase, etc.)) • The amount of recycled materials input and the total material input amount does not include the indirect materials that are not the constituent materials of the casting products and parts. • The amount of recycled materials input does not include the amount of reusage of defective processed products and offcuts, etc., that arise in the manufacturing process on the site. • From FY2023, old pig iron generated within the same business site has been excluded from calculations.

Third-Party Assurance of Environmental Report

Since 2004, the Kubota Group has received third-party assurance for the purpose of improving the reliability and comprehensiveness of its environmental data. Information that is marked with a symbol (Applicable FY2024 results) indicates that the information has been assessed by a third party.



CERTIFICATION INTERNATIONAL
SOCOTEC

Independent Assurance Report

Mr. Yuichi Kitao
President and Representative Director
Kubota Corporation

We, SOCOTEC Certification Japan (hereafter "SOCOTEC"), have performed a limited assurance engagement, in response to the entrustment from Kubota Corporation (hereafter the "Company") in order to provide an opinion as to whether the subject matter information ("Kubota Group ESG Report 2025" (period:1 January 2024 to 31 December 2024)) of the Company meets the criteria in all material respects.

1 Subject Matter Information and Criteria

The subject matter information for our assurance is a "report on GHG Emissions and Environmental Performance Data (shown in the Appendix)" covering the operations and activities of the Company and its consolidated subsidiaries (195 companies) and certain equity method affiliates (ten companies) described in "Kubota Group ESG Report 2025" (period: 1 January 2024 to 31 December 2024).
The criteria for preparing subject matter information is the "Kubota Group ESG Report 2025 - Caluculation Standards of Environmental Performance Indicators".

2 Management Responsibility

The "Kubota Group ESG Report 2025" (period:1 January 2024 to 31 December 2024) was prepared by the management of the Company, who is responsible for the integrity of the assertions, statements, and claims made therein (including the assertions over which we have been engaged to provide limited assurance), the collection, quantification and presentation of all data and information in the report, and applied criteria, analysis and publication.
The management of the Company is responsible for maintaining adequate records and internal controls that are designed to support the reporting process and ensure that the "Kubota Group ESG Report 2025" (period:1 January 2024 to 31 December 2024) is free from material misstatement whether intentional or negligent.

3 Assurance Practitioner's Responsibility

The responsibility of SOCOTEC is to express a limited assurance conclusion as to whether the subject matter information has been prepared in compliance with the criteria in all material respects.
We have performed limited assurance engagement in accordance with the verification procedures stipulated by SOCOTEC and "JIS Q 14064-3:2023 (ISO 14064-3:2019) Specification with guidance for the verification and validation of greenhouse gas statements" and the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" of International Auditing and Assurance Standards Board (IAASB).
The procedures performed in the limited assurance engagement are limited in their type, timing and scope as compared to the procedures performed in the reasonable assurance engagement. As a result, our limited assurance engagement does not provide as high assurance as reasonable assurance engagement.
Our procedures performed depend on the assurance professional practitioner's judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. Our conclusion was not designed to provide assurance on internal controls.
We believe that we have obtained the evidence to provide a basis for our limited assurance conclusions.

1/2

CERTIFICATION INTERNATIONAL
SOCOTEC

4 Assurance Procedures

The procedures that SOCOTEC has performed are based on professional judgement and include, but are not limited to:

- Evaluation of policies and procedures created by the Company in relation to subject matter information
- Inquiries to the Company personnel to understand the above policies and procedures
- Verification that the target project meets eligibility requirements
- Matching with the basis data by trial calculation and recalculation
- Obtaining and collating material for important assumptions and other data
- Sites visited to confirm the calculation structure and procedures, data collection and implementation status of record control:
  Head office / Okajima Business Center

5 Statement of Our Independence, Quality Management and Competence

SOCOTEC has introduced and maintained a comprehensive management system that conforms to the accreditation requirements of "ISO 17021 Conformity assessment -- Requirements for bodies providing audit and certification of management systems". In addition, we have also established a management system according to "ISO 14065:2020 General principles and requirements for bodies validating and verifying environmental information". These meet the requirements of International Standard on Quality Management 1 by the International Auditing and Assurance Standards Board and Code of Ethics for Professional Accountants by International Ethics Standards Board for Accountants. We maintain a comprehensive quality management system that includes ethical rules, professional standards and documented policies and procedures for compliance with applicable laws and regulations.

The SOCOTEC Group is a comprehensive third-party organisation in testing, inspection and certification operations, and provides management system certification and training services related to quality, environment, labour and information security in countries around the world. Engaged in performance data and sustainability report assurance of environmental and social information, SOCOTEC affirms that it is independent of the organisation that has ordered the assurance engagement, its affiliated companies, and stakeholders, and that there is no possibility of impairing impartiality or conflict of interest.

We assure that the team engaged in the assurance is selected based on knowledge and experience in the relevant industry, as well as the competence requirements for this assurance engagement.

6 Use of Report

Our responsibility in performing our limited assurance activities is to the management of the Company only in accordance with the terms for this engagement as agreed with the Company. We do not therefore assume any responsibility for any other purpose or to any other person or organisation.

7 Our Conclusion

On the basis of our procedures performed and the evidence obtained nothing has come to our attention that causes us to believe that the subject matter information is not, in all material respects, prepared and reported in accordance with the stated criteria.

SOCOTEC Certification Japan

S. Futaba

Seigo Futaba
Managing Director
30 May 2025

2/2

CERTIFICATION INTERNATIONAL
SOCOTEC

Appendix to Independent Assurance Report

GHG Emissions and Environmental Performance Data

Table 1. Medium- and long-term environmental conservation targets

Item	Quantity	Unit
Reduction rate of CO2 emissions (Scope 1 and Scope 2)	-31.7	%
Reduction rate of CO2 emissions per unit of production (Scopes 1, 2)	-46.1	%
Ratio of renewable energy usage	13.2	%
Reduction rate of energy consumption per unit of production	-38.6	%
Reduction rate of waste discharge per unit of production	-53.7	%
Reduction rate of hazardous waste discharge per unit of production	-21.8	%
Recycling ratio (Japan)	99.5	%
Recycling ratio (Overseas)	95.7	%
Reduction rate of water withdrawal per unit of production	-40.4	%
Reduction rate of VOC emissions per unit of production	-42.5	%

Table 2. Greenhouse gas emissions, etc.

Item		Quantity	Unit
CO2 emissions (Scope 1 and Scope 2)		532	kilotons CO2e
CO2 emissions per unit of sales		176	tons CO2e/billion yen
Direct emissions (Scope 1)	Use of fossil fuels	237	kilotons CO2e
	Non-energy-derived greenhouse gas emissions	6	kilotons CO2e
Indirect emissions (Scope 2)	Purchased electricity and heat use	289	kilotons CO2e
Other indirect emissions (Scope 3)	Category 3 - Resource extraction, manufacturing and transportation related to purchased fuels/energy	98	kilotons CO2e
	Category 5 - Disposal of wastes discharged from business sites	27	kilotons CO2e
	Category 11 - Use of sold products	35,083	kilotons CO2e

* The reduction rates in table 1 are the ratio to the base year (FY2014). (The base year of "Reduction rate of hazardous waste discharge per unit of production" is FY2019).
* The amount of electricity consumption from renewable energy in table 3 are the aggregate results for each value, including values smaller than one decimal place, and do not match the aggregate results for each value.
* "Waste, etc. discharge amount" in table 4 means "Quantity of valuables sale + Waste discharge amount".

Table 3. Energy consumption, etc.

Item		Quantity	Unit
Energy consumption		10,850	TJ
Energy consumption per unit of sales		3.60	TJ/billion yen
Amount of fossil fuel consumption	Overall	3,884	TJ
Amount of electricity consumption derived from fossil fuels	Amount of purchased electricity (derived from fossil fuels, etc.)	707,569	MWh
Amount of electricity consumption from renewable energy	Amount of solar power generation (generated and consumed on site)	17,327	MWh
	Amount of purchased electricity (from renewable energy)	90,733	MWh
		108,059	MWh

Table 4. Waste generation volume, etc.

Item	Quantity	Unit
Waste, etc. discharge amount	228	kilotons
Waste discharge amount	91	kilotons
Waste discharge per unit of sales	30.2	tons/billion yen
Recycling ratio (Global)	95.1	%

Table 5. Water consumption, etc.

Item	Quantity	Unit
Water withdrawal	4.65	million m3
Withdrawal per unit of sales	1.54	m3/million yen
Amount of recycled water	127	thousand m3
Total water discharge in all regions	5.02	million m3

Table 6. Chemical substance emissions, etc.

Item	Quantity	Unit
Amount of chemical substances (VOCs) handled	1,250	tons
VOC emissions	706	tons
VOC emissions per unit of sales	234	kg/billion yen
COD discharge amount	5.9	tons
Nitrogen discharge amount	6.5	tons
Phosphorous discharge amount	0.42	tons

SOCOTEC Certification Japan: This appendix is a valid document as an appendix to the independent assurance report issued to Kubota Corporation on May 30, 2025. APPENDIX 1 / 1

Chapter

3

Stakeholders

The Kubota Group aims to achieve continuous development in synergy with society. Respecting the customs and culture of each country where we conduct business, we attach importance to building relationships of trust with local communities. As well as taking action to enhance our corporate value and thereby gain the empathy and participation of stakeholders, we work to create a sustainable future together with the global society and local communities of which we are a member.

<SDGs related to this section>

Respecting Human Rights

The Kubota Group has established a Group Human Rights Policy and will work on respecting human rights in accordance with the procedures outlined in the United Nations Guiding Principles on Business and Human Rights (UNGPs).

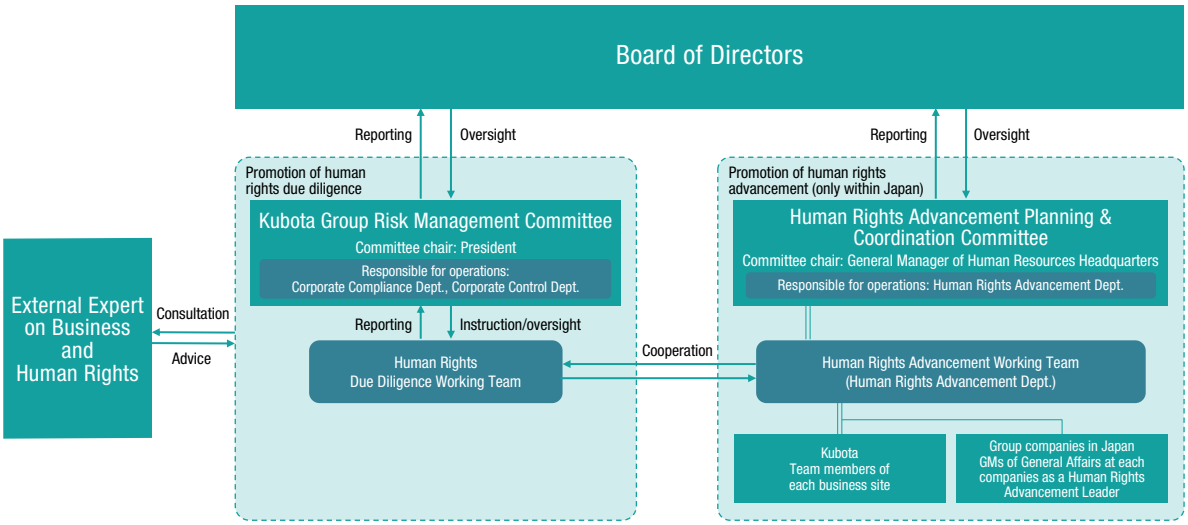
Kubota Group Human Rights Policy

Kubota Group hereby declares, as its Human Rights Policy, that we support the international standards with regard to human rights and respects these as the birthright of all people. Kubota Group respects the human rights of all people affected by its business activities in accordance with the procedures outlined in the UNGPs.

Kubota Group Human Rights Policy Click

Governance of Promoting Business and Human Rights

The Kubota Group regards respect for human rights as a key condition for business continuity. The Kubota Group Risk Management Committee, which is chaired by the President, receives reports from officers and divisions responsible for business execution on measures to respect human rights, monitors related activities at least twice a year and issues instructions as appropriate.



The Human Rights DD Working Team is responsible for implementing the Kubota Group's initiatives on business and human rights based on the policies and execution instructions approved by the Kubota Group Risk Management Committee. This working team is composed of personnel from multiple related departments within Kubota and regularly proposes particular activity plans and reports on their implementation to the Risk Management Committee. The team holds operational meetings about once a month and plans and promotes activities while taking onboard advice from external organizations and experts as needed. In FY2024, it held 13 operational meetings. We are also currently appointing regional human rights due diligence officers at our locations in Japan and the world to advance our human rights due diligence initiatives globally across the Group.

System for Promoting Human Rights Awareness

In Japan, we have established a Human Rights Advancement Planning & Coordination Committee, chaired by the General Manager of the Human Resources Headquarters, which meets once a year. Committee members at each location advance activities based on the human rights advancement activity policy. At the beginning of the fiscal year, a meeting attended by committee members from all local business sites is held. At each location, in addition to committee members, human rights leaders are appointed, who are responsible for undertaking human rights awareness activities.

As part of these activities, every year we call on employees in Japan, including at domestic Group companies, to enter a slogan contest for the designated week by the Ministry of Justice ("Human Rights Week," December 4 to December 10.) Awards are presented for the slogans judged to be the best. In 2024, 23,695 people participated (a participation rate of 95.7%), and the best entries in the contest from each location were displayed in the form of posters.

Human Rights Due Diligence

To fulfill the responsibility for respecting human rights as a company, the Kubota Group continuously promotes human rights due diligence as we recognize it to be an essential process for business activities.

Human rights due diligence is the process of identifying and assessing any actual and/or potential negative impact, and preventing and mitigating it. The Kubota Group carries out the process in accordance with UNGPs.

Conceptual diagram of initiatives in line with the UNGPs

Human Rights Risk Assessment

In March 2023, the Kubota Group began efforts to identify human rights risks in its businesses and supply chains. Please see our website (link below) for the process of this human rights risk assessment.

As a result, we identified the significant human rights issues listed below and are confirming the circumstances around human rights respect through engagement with the identified rights holders. We plan to regularly review significant human rights issues, taking into account changing business activities, business environments, and social conditions.

Process of Human Rights Risk Assessment in Kubota Group Click

■ Significant human rights issues

- Decent wages
- Decent working time
- Discrimination in the working place/Discrimination
- Migrant workers
- Forced labor
- Child labor
- Harassment
- Access to remedy

Human Rights Impact Assessment

Kubota has identified the following rights holders that the Group should engage with and is working on confirming the presence of the significant human rights issues listed above and addressing the matters confirmed. Currently, we are mainly focusing on efforts with Kubota's (non-consolidated) rights holders, but we plan to expand our actions to include the rights holders of our domestic and international Group companies in the future.

■ Our workforce

Creating a workplace free from harassment

- The Kubota Group conducts education and awareness activities to create a workplace free from harassment and other similar issues. We also adopt remedial measures, such as the establishment of a grievance system. Please refer to page 104.

Working and living conditions of migrant workers

- The Kubota Group's businesses are supported by employees and workers of various nationalities. We make every effort to understand the vulnerabilities of such individuals, especially migrant workers, and are advancing efforts to respect their human rights. We publish details about this on our website as appropriate.

Details of the activity for migrant workers Click

■ Workers in the value chain

- We request our major suppliers to complete CSR procurement questionnaires.
- Please see page 120 of this report and our website for details about our sustainable procurement.

Sustainable procurement activities of Kubota Group Click

■ Affected communities

- We have published information about our response related to asbestos on our website.
- We engage in social contribution activities based on established policies. Please see page 124 for details.

Information related to asbestos (only in Japanese) Click

■ Consumers and end-users

Proper management of personal information

- We recognize the proper protection and management of personal information of stakeholders, including customers, to be an important social responsibility. We have established a Personal Information Protection Policy, which is publicly available on our website, along with other related information.

Ensuring the safe and proper use of products

- We publish product manuals, after-service information, recall details, and safety information on our website as part of our efforts to support sustainable industries.

Personal Information Protection Policy Click

Portal site for agricultural solutions (only in Japanese) Click

Human Rights Education

Aiming to create a harassment-free, conducive workplace environment, the Kubota Group plans and provides human rights education programs for all employees, including the President and Directors, every year, based on the human rights policies.

The human rights education programs include rank-based training for new employees and at each site. In addition, to ensure ease of access for participants, we continued to offer training via e-learning in 2024. In 2024, all Kubota employees (in terms of the total number of participants) in Japan received human rights education through internal training or training offered by external organizations.

We plan to conduct human rights training for all employees globally, including the presidents and executives of our overseas Group companies.

Human Rights Training for Management Executives (October 11, 2024)
Theme: AI and Human Rights
Lecturer: Shinnosuke Fukuoka
Attorney, New York State Bar
Nishimura & Asahi (Gaikokuho Kyodo Jigyo)

Textbook for human rights e-learning

● Examples of themes of e-learning

- Trends in human rights (legislative changes, etc.)
- Power harassment (abuse of authority)
- Customer harassment (excessive complaints by a customer)
- Business and human rights
- Remedy consultation

This year, the following human rights training sessions, including the content shown on the previous page, were conducted by the Kubota Group.

[Results of Internal Training in 2024]

Training session	Participants	Method	Frequency	Targeted participants	Number in attendance	Participation rate
When joining Kubota	New employees	In-person group training	When joining Kubota	536	536	100%
Position-based training	Newly appointed foremen	In-person group training	Upon promotion	17	17	100%
	Newly appointed supervisors	In-person group training	Upon promotion	56	56	100%
	Management executives	Lecture from external speaker	Once a year	47	37	78.72%
Training for all domestic Group executives and employees	All domestic Group executives and employees	e-learning	Once a year	24,143	22,905	94.87%

● Major External Training

Kubota also encourages its employees to proactively participate in seminars hosted by corporate organizations addressing human rights issues and government organs.

The 45th Human Rights and Dowa Issue Corporate Awareness-Raising Seminar hosted by the Executive Committee*: A total of 48 participants (including those from Group companies in Japan)

The 55th Buraku Liberation and Human Rights Summer Seminar hosted by the Executive Committee*: 26 participants

* Hosted by Osaka Prefecture, Osaka City, Buraku Liberation and Human Rights Research Institute, etc.

Grievance Mechanism

As remedial action for victims of human rights violation, Kubota established the Kubota Hotline—a whistleblowing system that includes the use of outside lawyers—and consultation office systems at each of its bases, including those overseas, thereby enabling it to respond swiftly to any issues that may arise.

We raise awareness of the Kubota Hotline mainly by distributing pocket cards with contact details and providing information about such offices through the Company intranet, posters, email magazines, human rights seminars (including via e-learning), and so on.

Each year, Kubota holds a seminar for harassment consultation office personnel inviting external lecturers, with the aim of improving their counseling ability and preventing secondary victimization. A total of 142 employees took part in this seminar in 2024, using a web-based system.

The seminar focused on enabling the participants to take prompt and appropriate action against many types of workplace harassment, such as sexual harassment, abuse of authority, pregnancy discrimination, or harassment against sexual minorities, without causing any disadvantage to the informant.

Details of the whistleblowing system (Kubota Hotline) Click

Number of cases reported on human rights issues (including harassment) in 2024: 95

Harassment Consultation Office Personnel Seminar (July 4, July 16, July 18, July 25, 2024) (Lecturer: Toshiko Sugimoto, Full-time Lecturer, Japan Institute for Women's Empowerment & Diversity Management)

[Breakdown of consultations]

Category	No. of cases	Cases addressed	% of cases addressed
Power harassment	28	28	100%
Sexual harassment	12	12	100%
Other forms of harassment	9	9	100%
Not applicable	46	—	—
Total	95	—	—

* "Not applicable" includes cases where the facts could not be confirmed or those unrelated to human rights issues.

[Overview of the Kubota Group's whistleblowing systems]

	Kubota Hotline			Global Hotline	Supplier Hotline
	Corporate Compliance Department reporting line	Human Rights Advancement Department reporting line	Outside lawyer reporting line		
Users (scope of whistleblowers)	Executives and employees of Kubota and Kubota Group companies in Japan, as well as executives and employees of business partners who continuously provide labor to Kubota and Kubota Group companies			Same, but for those outside of Japan (currently being gradually rolled out)	Executives and employees of suppliers with bases in Japan
Matters reported	General compliance excluding human rights issues	General human rights issues (harassment, discrimination, etc.)	General compliance General human rights issues	Four categories: Antitrust violations, bribery, information leaks, and management misconduct.	Suspected violations of subcontracting laws by Kubota, human rights issues at suppliers, etc.
Option of anonymity	Available (anonymous reporting is possible, but whistleblowers are informed that limitations on verifying and correcting issues do exist).			Same	Same
Reporting methods	Telephone, online form, email, postal mail (sealed letter)		Telephone, email, consultation	Online form, telephone	Online form

[Cases Handled in 2024 (Human Rights-Related)]

- An employee consulted about poor communication in the workplace; we worked with the relevant department to confirm the facts and put improvements in place.
- An employee consulted about being loudly harangued during work-related interactions; we worked with staff handling the report to confirm the facts, offer guidance, and put improvements in place.

Activities and Engagement Related to Human Rights

Participation in the United Nations Global Compact

Kubota announced its participation in the United Nations Global Compact and signed the statement. This initiative involves companies from around the world who are committed to making the world a better place through responsible business actions.

Kubota has joined these companies and promises to continue to undertake responsible corporate activities.

In 2024, Kubota participated in the Kansai Subcommittee of the Global Compact Network Japan. Through this, the Company engaged in dialogue with experts, other organizations, and companies, exchanging information and discussing efforts related to the issues advocated by the Global Compact.

Participant profile (External link to UN Global Compact) Click

Membership of the Other External Organizations

Kubota (non-consolidated) participates in the external organizations below and is working to create a discrimination-free society.

The Corporate Federation for Dowa and Human Rights Issues, Osaka (also participating in corresponding organizations in Shiga, Wakayama, Hyogo, Chiba and Hiroshima)
Osaka City Corporate Human Rights Promotion Council (with related organizations in each municipality)
The Center for Fair Recruitment and Human Rights Advancement
Multi-Ethnic Human Rights Education Center for Pro-existence
Osaka Career Support & Talent Enhancement Plaza
Buraku Liberation and Human Rights Research Institute, etc.

Modern Slavery Statement

The Kubota Group discloses statements in accordance with the UK Modern Slavery Act and other pieces of legislation. These statements can be viewed for each year on the Kubota website.

Statements for UK Modern Slavery Act Click

Dialogue with External Experts on Business and Human Rights

The Kubota Group regularly engages in dialogue with external experts to evaluate its efforts regarding business and human rights and to gain insights for future initiatives. A summary of the dialogue conducted in October 2024 can be viewed on our website. The Company's directors and executive officers participated in this dialogue, and we are using the feedback received to advance the Group's initiatives.

Summary of the dialogue with external experts Click

Communication with External Audiences

The Kubota Group makes every effort to actively communicate information about its activities to the public, including initiatives concerning the topic of business and human rights.

■ Major activities in 2024

- In July 2024, we delivered a lecture on Corporate Sustainable Management at the Sustainable Finance School in the University of Tokyo's Graduate School of Frontier Sciences. We explained how sustainability elements are integrated into our business strategy, investment criteria, and performance assessment and compensation systems, and we also touched on our business and human rights activities as a specific initiative.
- On October 25, 2024, at the 2024 Business and Human Rights Conference in Tokyo, organized by Caux Round Table Japan, we delivered a presentation on the Kubota Group's business and human rights activities since the formulation of the Kubota Group Human Rights Policy in December 2023. In particular, we explained our human rights due diligence (impact assessment) activities targeting migrant workers. Through our participation, we deepened our understanding of global trends in business and human rights shared by international experts. We also learned about examples of other companies' human rights due diligence efforts and gained insights to advance future initiatives within the Kubota Group.

Details of the conference (External link to Caux Round Table Japan) Click

Respecting Human Rights throughout the Supply Chain

Kubota declares in the Kubota Group Charter for Action & Code of Conduct, “we do not permit forced labor or child labor, and also request our business partners to comply in this regard.”

Also, in the Kubota Group Supplier Code of Conduct, Kubota declares that it does not permit forced labor or child labor, and also requests that its suppliers comply in this regard. The Supplier Code of Conduct also clearly prohibits the use of conflict minerals, which are a source of funds for armed insurgents.

In May 2017, the Kubota Group released its Group statement with regard to the UK Modern Slavery Act, and has updated its statement each year, which can be seen on our website.

For employees in Japan, explanation is provided during their human rights education programs. At overseas Group companies, the business site heads of each company provide explanations to the employees.

Kubota Group Supplier Code of Conduct Click

Our Approach to Conflict Minerals

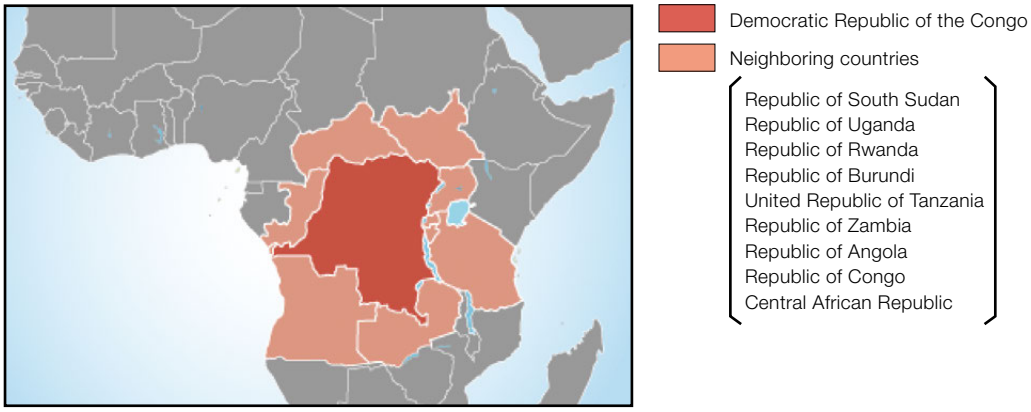
Policy on conflict minerals

Tantalum, tin, tungsten and gold, and their derivatives (“conflict minerals”) produced in the Democratic Republic of the Congo and its adjoining countries are the source of funds for armed insurgents, who have repeatedly committed inhumane acts in these countries. This is a major social issue of concern related to human rights, the environment, etc., in the supply chain.

As a part of its efforts to implement ESG management, Kubota promotes banning of the use of conflict minerals, which serve as a source of funds for the armed insurgents, and promptly takes steps to discontinue their use in the unlikely event that it becomes clear they are being so used.

Kubota seeks mutual understanding regarding this issue with its business partners, which are a part of the supply chain, and requests their cooperation in surveys and audits conducted by Kubota.

Democratic Republic of the Congo and Adjoining Countries



Activities

- **Written Inquiry**

  We use a conflict minerals reporting template (CMRT) to mainly confirm whether our suppliers are using conflict minerals, to identify smelters, and to gauge what kind of initiatives they are employing to address the issue of conflict minerals. We endeavor to improve the accuracy of the information we receive by asking our suppliers to resubmit the report if their answers are insufficient. In FY2024, 100% of the templates we sent out were returned.

- **Addressing Risks**

  For suppliers that do not have a conflict minerals procurement policy in place, we request that they establish one. Furthermore, we carry out additional investigations and conduct due diligence on suppliers we deem to be high risk.

- **Response Unit**

  Guided by our policy on conflict minerals, our activities are implemented company-wide through the Committee for Conflict Minerals, which comprises members from the ESG Management Division and Procurement Division.

Asbestos Issues

Response to Asbestos Issues

Kubota takes very seriously the fact that some residents living in proximity of the former Kanzaki Plant and employees working at the plant have developed asbestos-related diseases. 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.

Regarding the residents living nearby, without particular regard for individual cause-and-effect relationships, from the standpoint of our social responsibility as a company that previously handled asbestos, Kubota established the Regulations for Payment of Relief Funds to Sufferers of Asbestos-related Diseases and their Families Living in Proximity of the Former Kanzaki Plant. This is in addition to the Act on Asbestos Health Damage Relief, which was enacted by the Japanese government and provides relief funds in order to alleviate, even marginally, the hardships and mental burden of the people receiving treatment and their families.

For more information (only in Japanese) Click

Relationships with Customers

Kubota's future vision is to be an "essentials innovator for supporting life" that is "committed to a prosperous society and the cycle of nature." We consistently take the perspective of the customer and society when addressing issues and devote our best efforts to resolving them. We believe that this "on your side" approach is the right way to ensure that Kubota continues to be of essential value to society.

Going forward, we will continue to deliver products and services in fields fundamental to our business, from research and development to quality control and production and service technologies. By doing so, we will contribute to resolving issues from an "on your side" approach that inspires public trust.

R&D

Strengthening Our R&D System

Basic Concept

Because of the globalization of business, it is becoming increasingly important to offer products, services, and solutions that not only satisfy the needs of customers throughout the world, but also contribute to solving social issues in every community. To respond to diverse and unique local issues, Kubota is improving its global R&D system by clarifying the roles of its R&D sites in Japan and overseas.

Strengthening Regional Marketing and R&D

Since Kubota began developing its business overseas, it has followed a model of exporting products researched, developed, and manufactured in Japan, then introducing local production later on. However, Kubota's goal is to grow into a "Global Major Brand" to make the maximum contribution to society based on the trust of a wide customer base. To achieve this, it is crucial to understand the needs of overseas customers and rapidly realize new products, services, and solutions. For this reason, Kubota is strengthening local-oriented marketing and R&D.

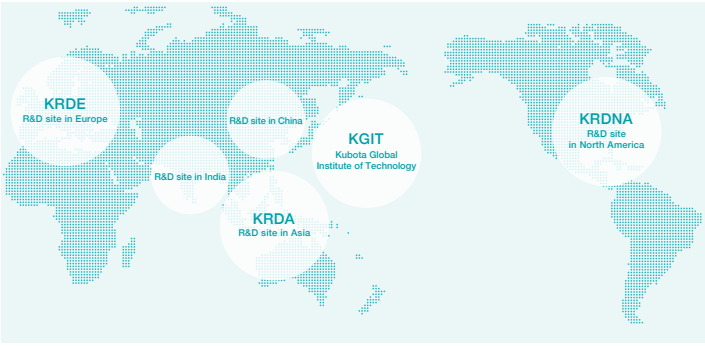
Strengthening R&D under a Global R&D Framework

In Japan, we opened the Kubota Global Institute of Technology (KGIT) in 2022, which has brought together R&D sites and personnel previously scattered throughout Japan and is greatly improving R&D efficiency. By harnessing synergies generated from exchange between experts in various fields, the institute aims to foster innovation for breakthroughs in core and cutting-edge technologies.

It also functions as a control unit to evaluate and integrate all R&D activities, including those at overseas sites. In this way, it will act as both adhesive and lubricant, linking and smoothing operations to realize a truly global system in which each of our research centers works in close coordination with the others while pursuing its own particular strengths. Furthermore, we are strengthening the framework by having regional engineers from around the world stationed at KGIT to advance research and development activities. We are actively promoting human resource development activities that enhance the level of each site by utilizing the knowledge of each region and engaging in mutual exchange and learning.

Overseas, with the goal of developing strategic products for key markets and products that closely match local needs, we are enhancing product development capabilities at our global R&D bases. We are also strengthening research by quickly acquiring advanced technologies developed in each region and leveraging other advantages.

Global R&D System Based on 6 Sites



KRDE
R&D site in France established in 2021

KRDNA
R&D site in North America established in 2022

KGIT
R&D site in Japan established in 2022

Promoting ESG Management

Kubota will position Environment, Social, and Governance (“ESG”) aspects at the core of management going forward and will also promote Kubota’s own style of business management driven by a mission to solve social issues, which we refer to as K-ESG management. In the area of R&D, therefore, we will accelerate initiatives aimed at promoting innovation that will contribute to solving environmental and social issues.

R&D on New Motive Power Sources for Achieving Carbon Neutrality

Japan has declared its intention to achieve carbon neutrality by 2050. In the mobility industry (automobiles, ships, etc.), which is close to the agricultural machinery and construction machinery industries, efforts are ramping up to harness new motive power sources, including electrification, use of hydrogen, such as fuel cells and hydrogen engines, e-fuel (synthetic fuel), and HVO (hydrogenated vegetable oil).

Kubota is also promoting R&D on new power sources for agricultural and construction machinery. In terms of electrification, we have launched a battery electric vehicle (BEV) tractor in 2023, and a BEV mini excavator and a BEV zero-turn mower, (riding mower) in 2024. We are also working on expanding the models and types of BEVs. In addition to satisfying the requirements for functions and performance of agricultural and construction machinery, we also intend to create new value through electrification, and to this end we have been fully engaged in developing the main components for electrification, such as motors, inverters, and battery packs. In R&D on fuel-cell tractors, we are also making use of a demonstration project by the New Energy and Industrial Technology Development Organization (NEDO) to consider the best form of hydrogen infrastructure and hydrogen filling methods for the agriculture sector.

In addition to working on these new motive power sources, Kubota will also continue to focus on R&D that it has advanced for reducing fuel consumption, such as increasing combustion efficiency, and increasing the content ratio of biodiesel and so forth. In addition, we are bringing together multifaceted initiatives, such as reduction of operation losses through automated driving technology, optimal energy-saving driving, and use of biofuels (made from agricultural and food residues), to achieve carbon neutrality.

BEV zero-turn mower Ze series Ze-481

Prototype hydrogen fuel cell (FC) tractor

R&D and Innovation

Kubota’s all-terrain platform vehicle KATR, which is currently under development, received the Best of Innovation award at the CES Innovation Awards® 2025.

The KATR is a compact all-terrain platform vehicle that can extend and retract its four legs hydraulically, allowing it to travel while keeping the cargo bed level, even on slopes and uneven surfaces. It is expected to be used in a wide range of fields, including agriculture, forestry, construction, and disaster sites.

We also exhibited the Agri Concept 2.0 at CES® 2025. This autonomous vehicle uses AI to analyze and assess its surroundings.

All-terrain platform vehicle, KATR.

Agri Concept 2.0 showcased at CES® 2025

Strengthening Partnerships in R&D

Kubota believes that there is no growth without innovation, and we are therefore strengthening measures to accelerate innovation such as collaboration between industry, government, and academia, and co-creation with external partners such as start-ups and companies in other industries.

Together with the University of Tokyo, we have established a new water pipeline deterioration assessment technology utilizing AI technology. We combined the University of Tokyo's expertise with our long-accumulated data from approximately 6,000 water pipeline corrosion surveys nationwide, significantly improving the accuracy compared to conventional deterioration predictions. It is currently being used for tasks related to the deterioration diagnosis and long-term evaluation of approximately 4,000 km of water pipelines in Fukuoka City.

As for the farm-managed solar power generation business, we are pressing ahead with this venture in collaboration with AGROECOLOGY Co., Ltd. The clean electricity generated from this initiative is supplied entirely to our Tsukuba plant, reducing CO_2 emissions by 2,600 tons annually. We are also working on establishing a system to supply electricity to electric tractors and other equipment on farmland in an effort to achieve a decarbonized society and more sustainable agriculture.

Illustration of Kubota's farm-managed solar power generation

Overseas, we are promoting collaboration with startups, including investing in France's UV Boosting and making America's Bloomfield Robotics a subsidiary. UV Boosting possesses ultraviolet irradiation devices and technology aimed at reducing the use of chemical pesticides on fruit trees and turf. Bloomfield Robotics offers services and technology that use AI and image analysis to assess the growth conditions of fruit trees and predict optimal harvest times and yields.

Production / Quality Control

Strengthening Production Systems

Building a Global Production System

In order to achieve the goal of becoming a "Global Major Brand," Kubota has established production bases around the world in locations close to their respective markets, with the mother plant supporting all the other plants in order to secure consistent quality. Furthermore, Kubota is promoting the deployment of the Kubota Production System (KPS) at each of its bases, and implementing initiatives to raise the QCD level.

● Establishment of overseas bases (from 2011)

• 2011: Thailand	Manufacturing of vertical-type diesel engines	(Kubota Engine (Thailand) Co., Ltd.)
• 2011: Thailand	Manufacturing and sales of hydraulic equipment components	(Kubota Precision Machinery (Thailand) Co., Ltd.)
• 2011: China	Manufacturing and sales of hydraulic shovels	(Kubota Construction Machinery (WUXI) Co., Ltd.)
• 2012: Europe	Manufacturing and sales of implements	(Kverneland AS [made part of the group])
• 2012: China	Manufacturing of diesel engines	(Kubota Engine (WUXI) Co., Ltd.)
• 2013: Europe	Manufacturing of large upland farming tractors	(Kubota Farm Machinery Europe S.A.S)
• 2016: United States	Manufacturing and sales of implements	(Great Plains Manufacturing, Inc. [made part of the group]; hereafter, "GPM")
• 2019: India	Manufacturing of tractors	(Escorts Kubota India Private Limited; hereafter, "EKI")
• 2022: India	Manufacturing of tractors	(Escorts Kubota Limited [made part of the group]; hereafter, "EKL")

● Expansion of local production

• 2013: United States	Manufacturing of medium-sized tractors	(Kubota Industrial Equipment Corporation; hereafter, "KIE")
• 2016: United States	Manufacturing of 4W compact construction machinery (SSL)	(KIE)
• 2017: United States	Start of operation of new plants for utility vehicles	(Kubota Manufacturing of America Corporation; hereafter, "KMA")
• 2017: China	Start of operation of a new plant for tractors and wheel combines	(Kubota Agricultural Machinery (Suzhou) Co., Ltd.)
• 2022: United States	Manufacturing of compact track loaders (CTL)	(GPM)

● Consolidation of overseas bases

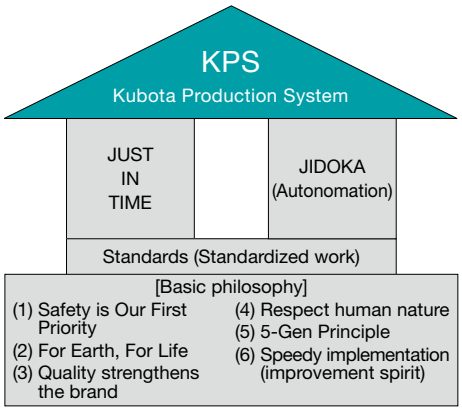
- 2024: United States KIE integrated into KMA
- 2024: India EKI integrated into EKL

Deployment and Dissemination of the Kubota Production System

- Kubota's basic principle for manufacturing
  Kubota aims to achieve manufacturing that impresses customers by offering products and services that exceed customers' needs at a speed beyond their expectations.
- What is the Kubota Production System (KPS)?
  To deliver better products to customers faster and at lower cost, we have adopted the principles of "just in time" and "jidoka" (automation) modeled after the Toyota production system, focusing on the thorough elimination of waste. We have extended this approach beyond the supply chain to include the engineering chain as well, including offices.

Activities during 2024

- Strengthening of our global structure through the lateral deployment of improvement activities
  At each production site, we worked on reducing manufacturing lead times and improving productivity by shortening work and processing times, reducing work in process (WIP) between processes, and promoting labor-saving and autonomation. We sought to strengthen our global structure by sharing these achievements with bases in Japan and overseas.
- Through standardized work project
  As a company-wide project, we thoroughly reviewed work procedures and key points to further improve safety, quality, and productivity. We are beginning to roll out the results achieved in Japan to Europe and Asia.
- Improvement activities involving all employees, including those in offices
  To enable all employees to engage in higher value-added work, we worked on operational improvements based on the KPS, even in back-office departments. We achieved various results, such as automating routine tasks with RPA, using AI for enquiry responses, and sharing information in real time. We aim to achieve further developments by deepening global activity exchanges.



Structure of KPS

Quality Assurance

1. Basic Principles

The Kubota Group strives to provide safe and high-quality products, technologies, and services in accordance with the Kubota Group Charter for Action & Code of Conduct.

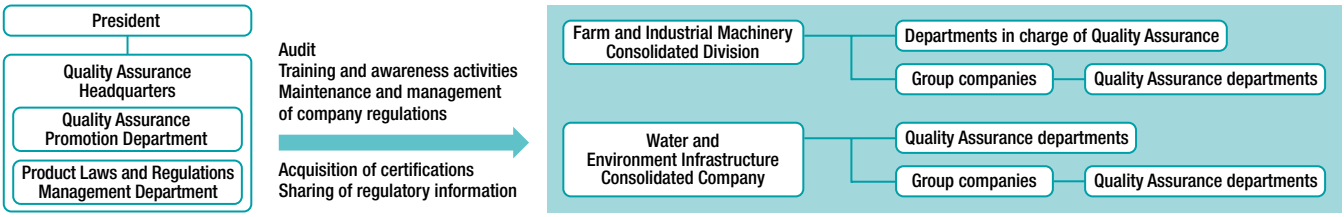
- We strive to offer products, technologies, and services that are safe and of superior quality to win customer satisfaction and confidence. We comply with all applicable legal regulations, specifications, standards, and contractual obligations with our customers and business partners. Moreover—in each of our processes from development to manufacturing, sales, and service—each related department assumes the responsibility of ensuring safety and superior quality in our products and services.
- If we discover that a safety issue has arisen, we act swiftly and report the issue accurately and appropriately to each responsible department and then proactively work to correct the issue and eliminate them from reoccurring.
- We believe that "For the Kubota Group, there is no greater revenue or profit that has to be pursued to the extent worth jeopardizing our brand and company image." Quality is a top priority for our customers, and the Kubota Group will in good faith adhere to our standards, specification and regulations in an effective and ethical manner.

2. Quality Management

Quality Assurance System

To ensure the independence of the quality assurance departments, the Quality Assurance Headquarters in the corporate division at the head office oversees the quality assurance activities of the entire Kubota Group. The Quality Assurance Headquarters consists of the Quality Assurance Promotion Department—which handles quality risk management (such as audits and training/awareness activities) for the Farm and Industrial Machinery Consolidated Division, the Water and Environment Infrastructure Consolidated Company, and Group companies—and the Product Laws and Regulations Management Department, which ensures compliance with product-related laws and regulations.

The Farm and Industrial Machinery Consolidated Division, Water and Environment Infrastructure Consolidated Company, and Group companies are responsible for conducting quality assurance activities for individual products, technologies, and services.



Kubota Group Quality Assurance Structure

Quality Management System Certification

The Kubota Group has obtained ISO 9001 certification at its sites in Japan and overseas, establishing a global quality assurance system. The latest status of our ISO 9001 certifications are posted on our website.

Kubota's quality management system certification
Click➡

Internal Audits on Quality

The Kubota Group conducts the following internal quality audits annually to prevent compliance violations and maintain and strengthen the quality assurance system.

- ISO 9001 internal audits : Audits to verify that the quality management system is being maintained and improved appropriately
- Quality audits : Audits of development, design, and manufacturing processes
- Quality compliance audits : Audits to ensure compliance with laws, public standards, and contracts with customers
- Certification audits : Audits to ensure that certification activities are conducted fairly and transparently, preventing misconduct
- Cross audits : Mutual audits conducted by auditors from outside business divisions to ensure the independence and appropriateness of audits

Quality Questionnaires

In addition to the Kubota Hotline (whistleblowing system), we regularly conduct Quality Questionnaires to encourage employees with knowledge of quality compliance issues to voluntarily provide information. The questionnaire is carried out by the Quality Assurance Promotion Department, which takes a neutral position with respect to each business unit in order to gain candid responses. The department formulates questionnaire questions that take into account potential quality issues based on the nature of each business, the operating environment and historical quality-related issues. If problems are identified in employee responses, they are reported to management and the Quality Assurance Headquarters takes the lead in examining and implementing necessary responses. The Quality Questionnaire implementation rate in 2024 was 100% for domestic Group company employees* and 99% for overseas Group company employees.

* Kubota Group employees that have been assigned company email addresses

Domestic and International Recall Filing Status in FY2024

If a product defect occurs and action is deemed necessary, we report it to the authorities in accordance with the laws and regulations of each country.

In Japan, we filed the following six recall notifications with the Ministry of Land, Infrastructure, Transport and Tourism in 2024.

- Recall of combine harvesters : Total 2,676 units (notice filed April 22, 2024)
- Recall of MR Agri Robo series tractors : Total 248 units (notice filed November 5, 2024)
- Recall of M7 series tractors : Total 299 units (notice filed November 5, 2024)
- Recall of JB series tractors : Total 1,334 units (notice filed November 22, 2024)
- Recall of wheel loaders (shovel loaders) : Total 10 units (notice filed November 29, 2024)
- Recall of combine harvesters : Total 2,969 units (notice filed December 6, 2024)

For details of recall filing (only in Japanese) Click

3. Initiatives to Increase Quality

The Kubota Group is committed to improving the quality of each business process, from development to manufacturing, sales, and service, to enhance the quality of the products, technologies, and services we provide to our customers. In addition, we are working to raise awareness of quality among our executives and employees based on the belief that for the Kubota Group, there is no greater revenue or profit that has to be pursued to the extent worth jeopardizing our brand and company image.

Quality Forum

We hold executive forums for the president and senior management to strengthen efforts in quality and compliance. In this forum, we invite external experts to deliver talks so that participants have the opportunity to learn about the latest information and methods. In 2024, Takashi Yasuoka, a former professor in the Graduate School of Engineering Management at the Shibaura Institute of Technology, delivered a lecture entitled Raising Awareness to Enhance Quality Compliance.

Takashi Yasuoka delivering his lecture for the Quality Forum

Quality Discussion Meetings

Discussion meetings are held for senior management of the Farm and Industrial Machinery Consolidated Division and related departments to foster a culture of prioritizing quality and to improve business processes. In 2024, discussions were held to clarify the quality-related activity policies for the Farm and Industrial Machinery Consolidated Division to focus on in 2025.

General discussion during the Quality Review Meeting

Quality Improvement in Design and Development

The Kubota Group actively works to prevent quality issues, and one of the typical activities in this is the Design Review (DR). In the DR, not only engineers from the development and design departments participate, but also representatives from manufacturing, quality assurance, and other departments involved with the product. In this process, we evaluate the suitability of the design and the feasibility of functions and performance, identify issues and problems, and implement measures to prevent quality issues before they occur. In the DR, we focus on the novelty of intentional changes and incidental change to conduct appropriate evaluations. Moreover, we have established DR implementation guidelines as an in-house standard and ensure that they are properly followed.

Quality Training

We held training to educate employees about the necessary knowledge, approach, and actions for quality assurance and quality control. In these training sessions, employees learn the basic principles and practical methods of quality control, as well as the necessary awareness and ethics for personnel involved in products, technology, and services to customers. Through this initiative, we aim to enhance awareness and foster an in-house culture of quality.

- New recruit training
- New supervisor training
- New foreman training
- Internal auditor training
- Product risk assessment training
- Quality compliance training
- Engineer ethics training (among others...)

Quality Control Circles

In the Kubota Group, quality control circles conduct activities with the aim of improving the abilities and motivation necessary for problem solving and achieving goals, as well as to foster teamwork. We also have a system in place to recognize employees who achieve outstanding results. Since introducing quality control circles in 1967, 714 circles have been active at Group companies in Japan and overseas. (as of 2024)

Customer First Meetings

The Kubota Group provides opportunities for employees to think about “Customer First and Quality Priority.” This encourages employees to reflect on their actions and work methods, promoting transformation and suggesting improvements to upper management, thereby improving the overall quality system within the organization. In 2024, at the major production sites of the Farm and Industrial Machinery Consolidated Division, leader-class employees from various departments shared their workplace initiatives and discussed solutions to challenges.

Group discussion about how to put customers first

Quality Achievement Award

In the Kubota Group, in order to promote a greater awareness of quality, we recognize employees who have made notable achievements to improve quality in their work. We started this initiative in 2017 for business sites in Japan, but it has now expanded into a global awards program that includes overseas sites.

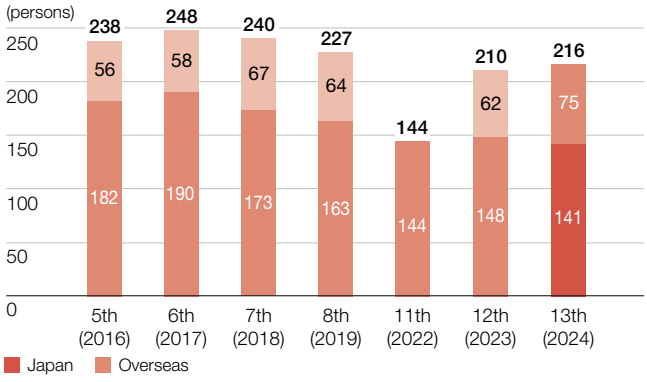
Ensuring Skills to Maintain Customer Satisfaction

Holding the Kubota Group Technical Skills Competition

Kubota holds the Kubota Group Technical Skills Competition with the aim of improving manufacturing capabilities. At the 13th competition in 2024, a total of 216 contestants from 30 bases in nine countries gathered and put their technical skills to the test in 14 categories, including casting, lathing, finishing and welding. The competition was a valuable and stimulating opportunity for contestants to learn about each other's skill levels in a spirit of friendly rivalry and interaction, not just on the day of the competition, but also leading up to the event. The Kubota Group will continue to hold this competition, with the aim of further improving its manufacturing capabilities.

* The 9th and 10th competitions (2020 and 2021) were canceled to prevent coronavirus infection.

No. of Contestants in the Technical Skills Competition



Stiff competition among contestants from all over the world

Participating in National Skills Competition

To showcase the Kubota Group's commitment to the highest standard of manufacturing skills and to cultivate human resources to take leadership roles in the workplace, Kubota participates in the annual National Skills Competition*, sending representatives to compete in the categories of lathing, mechanical device assembly, mechatronics engineering, and construction steel working. At the 62nd competition in 2024, 18 participants from Kubota competed, with six winning awards: one silver and one bronze in the lathing category, one honorable mention award in the construction steel working category, and one silver and two honorable mention awards in the mechanical device assembly category.

* National Skills Competition: National competition for young technicians (23 or younger). Representatives for the WorldSkills Competition held every two years are selected at this competition. It is the "Olympics" of skills, in which young technicians from all over Japan compete in terms of skills.

Kubota received its first silver medal in the lathing category at the 62nd competition (2024)

Fostering Manufacturing Personnel to Establish Kubota as a Global Major Brand

Deployment of KPS

Kubota promotes the Kubota Production System (KPS) at its domestic and overseas bases with the aim of becoming a “Global Major Brand.”

Manufacturing Improvement (Genba Kaizen) with the 5-Gen Principle

The “5-Gen Principle” is implemented to achieve site improvements necessary to advance KPS. The 5-Gen encompasses a philosophy based on the actual site (Genba), actual items (Genbutsu), facts (Genjitsu), principles (Genri) and basic rules (Gensoku). The 5-Gen Dojo is a training place for fostering employees who will implement improvements aimed at closing the gap that can arise between the actual and the ideal.

5-Gen Dojo History

We have established 5-Gen Dojos at major overseas sites, with 1,028 participants in 2024 and a total of 7,964 participants to date. Since opening at the Sakai plant in 2002, we have systematically set up other dojos overseas to promote the localization of human resource development.

Establishment of Dojos and Participant Numbers

5-Gen Dojo	Site	2002–2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 1,028	Cumulative 7,964
Head office	Sakai Plant (Japan)	2,107	302	406	338	406	288	301	273	194	78	151	670	530	**6,044**
North America	Kubota Manufacturing of America Corporation			51	46	46	44	54	81	11	73	109	395	362	**1,272**
Thailand	Siam Kubota Corporation Co., Ltd.					87	96	50	71	29	0	0	0	50	**383**
China	Kubota Agricultural Machinery (Suzhou) Co., Ltd.									57	47	36	39	16	**195**
Europe	Kubota Baumaschinen GmbH (Germany)													27	**27**
India	Escorts Kubota Limited													43	**43**

Opening of new 5-Gen Dojo in India

In FY2024, we opened the sixth 5-Gen Dojo in India, a key location for Kubota’s business expansion, and kicked off training on the 5-Gen Principle there.

Opening ceremony

Training in progress

Acceleration of Global Improvement Activities

Going forward, we will further strengthen the localization of manufacturing personnel development and accelerate global improvement activities through enhanced cross-functional capabilities under a six-pronged system in which 5-Gen Dojos collaborate both domestically and internationally. As an example, since 2023, we have held the Global 5-Gen Dojo Conference to enhance the leadership levels of 5-Gen Dojo promotion officers in Japan and overseas and to share best practices across locations.


Global meeting of 5-Gen Dojo promotion officers


Sharing best practices and working to improve leadership levels

Customer Service

Continuous Provision of Parts through Redesign of Old-type Parts

To ensure customers can use the products they purchase for a long time with peace of mind, it is important for the products to be of good quality, but in the event of a breakdown, customers can receive the correct service parts quickly, along with repair services.

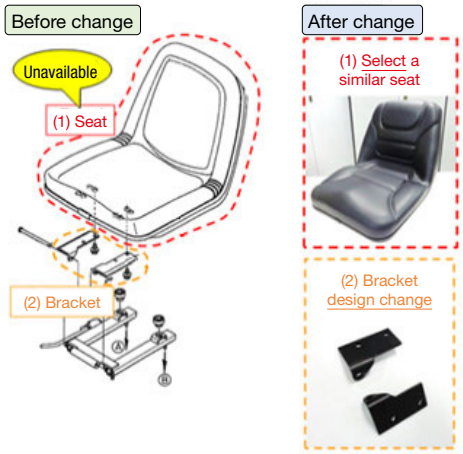
Kubota focuses on providing a **stable supply of service parts** through communication with customers and suppliers in the market and improvement of service parts procurement operations. We maintain an **immediate delivery rate of essentially over 99%** for emergency orders for service parts in Japan. (Immediate delivery rate: Ratio of inventory supply to orders)

Service parts are usually the same as those produced during mass production. However, for various reasons, there are cases where the service parts that are the same as the mass-produced part cannot be procured or produced. Kubota makes every effort to continue the supply of these parts. In these situations, **a specially appointed department will redesign and recreate the parts**.

Looking ahead, we will continue to improve customer satisfaction through stable supply of service parts.

Example case 1—Seat

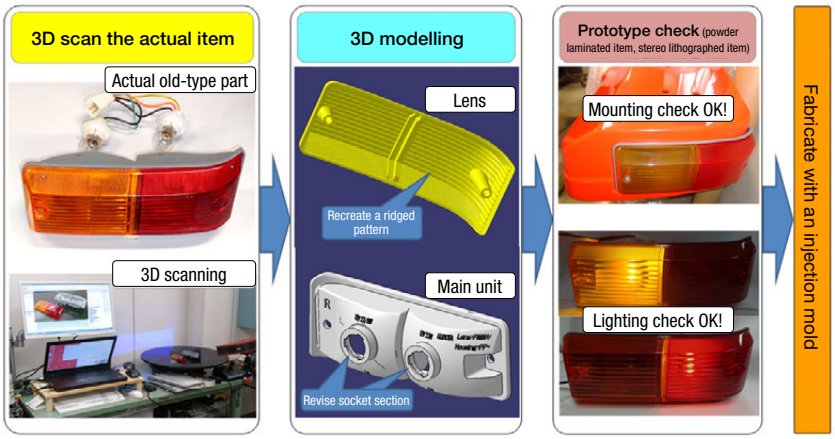
Redesign driven by the selection of similar parts and the modification of fittings



We are not only redesigning the parts themselves but also modifying the fittings so that similar parts will be interchangeable.

Case Example 2—Lamp

Reverse engineering-powered remanufacturing using 3D scanning



Most old-type parts do not have 3D data. We can recreate them by making a 3D scan of the actual item, modeling it, and creating 3D data, thus enabling it to be remanufactured.

Contest for Solution Proposals and Service Technology Skills

In the Domestic Agricultural Machinery Sales Group, we hold a Contest for Solution Proposals each year as a way to increase our solution proposal skills.

In the 2024 nationwide contest, 11 sales staff from our sales company competed by presenting proposal examples from each region at the Kubota head office.

A number of excellent examples of closely addressing customers' issues were presented, including a proposal by Kubota Smart Agri System (KSAS) to increase yields and quality by visualizing farm management and a proposal to realize energy-saving and large-scale production by introducing smart agricultural technology.

We will continue working to improve our solution proposal skills for solving customers' issues.

The above photograph shows the award ceremony. Each company presented examples of successful solutions, contributing to an upbeat contest.

Kubota's Service Technical Skills Contest is designed to improve accurate trouble-shooting skills, repair skills, and customer communication skills. Staff from sales companies in Japan and overseas (South Korea, Taiwan) who have cleared preliminary rounds in their regions come together to pit their overall service skills against one another. The contest has a long history, with 46 events now having been held.

The 2024 nationwide contest was held at the Industrial Promotion Center in Sakai City, Osaka Prefecture, and the machine used for the competition was the KR448 combine harvester.

This time, there were no participants from overseas due to the competition equipment, but the event was very lively as usual and concluded successfully, thanks to the cooperation of all participants and officials. Going forward, we will continue working to further enhance the value of the contest as an opportunity for staff to compete in displaying service and technology skills that exceed customer expectations. By additionally sharing the results of the contest, we will work to raise the level of customer focus Group-wide.

Service Technical Skills Contest (held in 2024)

Service Technical Skills Contest (held in 2024)

Customer Satisfaction Survey

Kubota conducts a survey to obtain feedback for monitoring customer satisfaction with customer support by dealers of domestic farm machinery and also with its products. We share the feedback and survey scores received from the respondents with the dealers and related departments, and utilize the information to improve our sales and service activities, and ultimately our products.

"Overall customer satisfaction with store where purchased" for July 2023 to June 2024 was 67.7 points, almost on a par with 67.5 points* in the previous year's survey (July 2022 to June 2023). The points represent the percentage of customers who gave positive responses regarding their overall satisfaction levels towards the store where they purchased their new tractor, riding rice transplanter or combine harvester, according to surveys conducted by dealer-operated divisions.

* The previous year's figures have been recalculated to include responses received after the publication of the ESG Report 2024.

Starting in January 2025, we will review the survey questions and implementation methods to swiftly press ahead with improvement measures with our "On Your Side" approach, based on the feelings and feedback garnered from various customer experiences. We will continue to strengthen our efforts to improve NPS* and customer satisfaction, thereby meeting customer expectations.

* NPS (Net Promoter Score): A standard metric that represents customer endorsement and measures their attachment to a brand. It is obtained by subtracting the percentage of detractors from the percentage of promoters in response to the question, "How likely are you to recommend Kubota to a close friend?"

Relationships with Business Partners

Sustainable Procurement

Procurement Policy

The following explains the Kubota Group's basic approach to procurement in its business activities.

Basic approach to procurement

1. Providing fair opportunities
   We provide opportunities for competition among all of our business partners in a fair and equitable manner.
2. Economical rationality
   When selecting a business partner, we make a full evaluation on the quality, delivery timing, cost, reliability, technology and development capability, proposal ability, and business stability, etc., of that partner, and then select the best business partner based on a suitable set of criteria.
3. Mutual trust
   We establish relationships of trust with our business partners and also aim for mutual development.
4. Social trust
   We are committed to ensuring adherence to all relevant laws and regulations when making procurement deals. We will also ensure the confidentiality of our business partners' confidential information that we have gained through our procurement deals.
5. CSR procurement
   We promote CSR procurement, while paying close attention to compliance with laws and regulations, occupational health and safety, human rights, environmental conservation, symbiosis with society, and information disclosure in a timely and appropriate manner.
6. Green procurement
   We are committed to the procurement of products with a reduced environmental impact from business partners that engage in environmental activities, as part of our commitment to providing society with products that are friendly to global and local environments.

Kubota Group Supplier Code of Conduct

The Kubota Group Supplier Code of Conduct is our requirements regarding sustainability in its relationship with suppliers and applies to all suppliers who provide goods and services to the Kubota Group.

Kubota Group requires that suppliers respect and comply with the Kubota Group Supplier Code of Conduct in their business activities, both in contracts at the start of business transactions and when updating our supplier list on an annual basis.

Kubota Group Supplier Code of Conduct

1. Legal Compliance and Business Ethics
2. Labour and Human Rights
3. Global and Local/Regional Environment
4. Others

Kubota Group Supplier Code of Conduct Click

Self-Assessments of CSR Procurement

Since FY2018 we have requested our major suppliers to conduct a self-assessment of CSR procurement. We provide feedback to each company after clarifying where improvements can be made. For items returning a low score, we ask our suppliers to voluntarily make improvements. We also provide support on improving CSR procurement by meeting with or visiting companies, if deemed necessary based on the self-assessment results.

In FY2024 we expanded the scope of the self-assessments and asked 532 major suppliers in Japan to complete it. We began requesting similar self-assessments of our overseas bases in 2020 as well.

Promoting Optimal Regional Procurement and Supplier Quality/Productivity

Procurement at overseas production bases has risen sharply in parallel with the rapid globalization of business.

The Kubota Group promotes optimal procurement in every region through the establishment of a global supply system. Moreover, the Group collaborates with major global suppliers to promote systematic improvement activities for the purpose of strengthening competitiveness by improving quality and productivity.

The annual Kubota Kaizen World Cup has been held since 2015 to vitalize improvement activities. In this World Cup, suppliers selected from various regions around the world present their company's successful improvement cases as they compete for the status of World Champion.

Throughout the entire supply chain, Kubota will continue its efforts to make the Kubota brand trusted and appreciated by its customers around the world.

Information Security Measures Required for Suppliers

The Kubota Group presents information security measures to suppliers with whom it shares confidential information and requests them to implement these measures. Through the proper management of confidential information, we aim to achieve stable business continuity and the continuous development of synergies in the Kubota Group and with suppliers and society.

Information Security Countermeasure Standard for Our Suppliers (Japanese version) Click
Information Security Countermeasure Standard for Our Suppliers (English version) Click

Information Security Countermeasure Check Sheet for Our Suppliers (Japanese version) Click
Information Security Countermeasure Check Sheet for Our Suppliers (English version) Click

Green Procurement

For the purpose of providing products that are friendly to global and local environments, the Kubota Group is seeking to procure products with reduced environmental impact from ecofriendly suppliers.

In order to proactively promote these activities, the Kubota Group presents its policies on green procurement to suppliers through the Group's Green Procurement Guidelines, asking for their understanding and cooperation.

The Green Supplier Award System was launched in 2015 to award suppliers recognized as having made notable contributions in the area of environmental conservation. The awards are presented annually.

We also ask suppliers to check for the inclusion of any chemical substances in order to comply with the regulations of each region, including the EU's RoHS Directive and REACH regulation.

Green Procurement Guidelines Click

Click here for details of the Green Procurement activities.

Registration in "Declaration of Partnership Building"

Kubota supports the aims of the Council on Promoting Partnership Building for Cultivating the Future sponsored in part by Japan's Cabinet Office and Small and Medium Enterprise Agency. We formulated a "Declaration of Partnership Building," which seeks to build new partnerships through the pursuit of collaboration and mutual flourishing with suppliers and business partners in the supply chain.

Supplier Hotline

The Kubota Group has established the Kubota Supplier Hotline, a contact point where suppliers can report or seek advice about the violations of laws, regulations, or the Kubota Group Supplier Code of Conduct, as well as breaches of contracts with suppliers.

See here for details.

Business Continuity Planning in the Supply Chain

Risks surrounding the supply chain are becoming more complex due to natural and human-made disasters, changes in international affairs, and compliance with environmental and import/export regulations.

For these reasons, we have defined supply chain-related risks, prioritized them, and developed response plans accordingly.

Specifically, we are implementing measures such as the introduction of a safety confirmation system for quickly checking the safety and operational status of suppliers and risk management and improvement using hazard maps and BCP checklists. These efforts are aimed at taking preventive measures and ensuring rapid recovery in the event of an emergency.

Shareholders and Investors

Constructive Dialogue with Shareholders

The Company, recognizing that constructive dialogue with shareholders and investors contributes to the improvement of the Company's sustainable growth and medium- to long-term corporate value, regularly stays abreast of the shareholder composition, makes timely and appropriate disclosure of a wide range of information ranging from financial information to non-financial information and promotes constructive dialogue with shareholders, investors, and other stakeholders. The policies for development of systems and operations for this activity are as follows.

(1) Basic policy

The Company holds briefings where the President and General Manager of Control Headquarters present the business conditions and business strategy, and financial results, thereby promoting constructive dialogue with domestic and foreign institutional investors. Furthermore, the Company promotes two-way communication, such as timely disclosure to all stakeholders including individual investors through active use of the Company website and executing questionnaire surveys and so on.

(2) IR organizational structure

General Manager of Control Headquarters is in overall charge of directing and promoting IR. The department in charge of IR plays a central role in developing its IR activities through organic coordination with various departments related to corporate planning and control, accounting, public relations, ESG promotion, legal affairs, and other areas.

(3) Internal feedback

Subjects of dialogue with investors are reported back to the Board of Directors, the Executive Officers' Meeting, and relevant departments.

(4) Dialogue with institutional investors and analysts

The Company holds individual and group meetings and results briefings with institutional investors and analysts. In addition, the Company discloses the results materials and the results briefing materials in both English and Japanese at the same time, and regularly holds tours and briefings on business operations in Japan and overseas.

(5) Dialogue with individual shareholders and investors

The Company aims to promote lively communication through hosting of various events for individual shareholders.

We also operate the "Kubota Shareholders' Club" as a platform for shareholders to gain a deeper understanding of the Company and build better relationships.

In addition to holding company information sessions (including online sessions) to provide opportunities for the management and individual investors to directly engage in dialogue, the Company also works on public relations to improve understanding of the Company's business activities.

(6) Policy for insider information management when engaging in dialogue

Insider information, such as any undisclosed material facts, is not conveyed at the meetings with investors. The following section describes the structure and procedures regarding the timely disclosure of the Company information.

1. Financial Information Disclosure Committee

The Company has established the Financial Information Disclosure Committee so as to monitor and control important financial information disclosure and non-financial information disclosure and, thereby, ensure its fairness, correctness, timeliness, and comprehensiveness. The committee consists of a committee chairperson, who is General Manager of Control Headquarters; committee members, who are General Manager or Deputy General Manager of Corporate Compliance and Risk Management Headquarters, General Manager of Human Resources Headquarters, Director in charge of ESG Promotion or General Manager of ESG Promotion Unit, General Manager of Corporate Control Dept., General Manager of Accounting Dept., and General Manager of Corporate Auditing Dept., members who are appointed by the committee chairperson as necessary: and, as observers, one full-time Audit & Supervisory Board Member and one Audit & Supervisory Board Member specializing in finance. The committee meets periodically in order to draft and assess the Annual Securities Reports ("*Yukashoken Hokokusho*"), the Semiannual Securities Reports ("*Hanki Hokokusho*"), Integrated Report and ESG Report pursuant to the Financial Instruments and Exchange Act. The committee also meets in response to extraordinary events such as important decisions and material facts that must be disclosed immediately.

In accordance with the intent and meaning of fair disclosure rules set out in the Financial Instruments and Exchange Act, the Company takes all reasonable care to avoid selective disclosure of information, such as by simultaneously releasing Japanese and English versions of results briefing materials with attached explanations and the minutes of question-and-answer sessions via the corporate website, and by working to enhance the timely and fair disclosure of information in order to promote proactive dialogue with investors.

2. Company regulations for information disclosure

The Company has declared that "The Kubota Group makes appropriate and timely disclosure of corporate information and fulfills its responsibilities for transparency and accountability in corporate activities" in the "Kubota Group Charter for Action" and has stipulated "Appropriate and Timely Disclosure of Corporate Information" and "Prohibition of Insider Trading" in the "Kubota Group Code of Conduct." The Company strives to promote awareness and ensure thorough efforts in regard to the "Kubota Group Code of Conduct" and prevention of insider trading before it occurs through conducting education tailored to each management level within the Company.

Information for investors Click

Dialogue with Individual Shareholders

In 2024, we invited shareholders to visit the Hirakata Plant to experience our manufacturing approach firsthand. We also showcased our efforts in both the water & environment and farm & industrial machinery business segments by inviting them to the Kubota Forest and the Orange Nouen farm. We also launched a website for the “Kubota Shareholders’ Club” to help shareholders gain a deeper understanding of the Company and build better relationships. Through the sharing of information and events organized by the “Kubota Shareholders’ Club,” we will look to further enhance our dialogue with shareholders. The Company also explained the Group’s Long-Term Vision and business activities to individual investors through in-person meetings by President Yuichi Kitao and other events.

We will continue to provide information to shareholders and investors to foster greater understanding and involvement in the Group’s efforts.

Information for individual Investors (only in Japanese) Click

Website of the “Kubota Shareholders’ Club”

Corporate briefing by President Yuichi Kitao


Shareholders touring the Kubota Forest


Shareholders touring the Hirakata Plant


Shareholders touring the Orange Nouen farm

Dialogue with Institutional Investors and Analysts

The Company has approximately 410 individual and group meetings per year with institutional investors and analysts. In addition, Kubota Corporation regularly holds tours and business briefing sessions at its domestic bases and overseas subsidiaries. In 2024, we held an IR event related to the construction machinery business at the Hirakata Plant (Hirakata City, Osaka Prefecture), which was attended by institutional investors and analysts.

The Company also holds a year-end results briefing in February and an interim results briefing in August and discloses its financial and other information in Japanese and English concurrently. Additionally, in accordance with fair disclosure rules, the Company posts transcripts of the content of interim and full-year results briefings and the question and answer session on our website as part of our efforts to ensure timely and fair disclosure.

Information for investors Click

Social Contribution Activities

Basic Approach

The Kubota Group respects the cultures and customs of each country and region in which it conducts business, and endeavors to establish relationships of trust with local communities. Moreover, Kubota proactively engages in social contribution activities in order to fulfill its responsibilities as a corporate citizen.

The Kubota e-Project

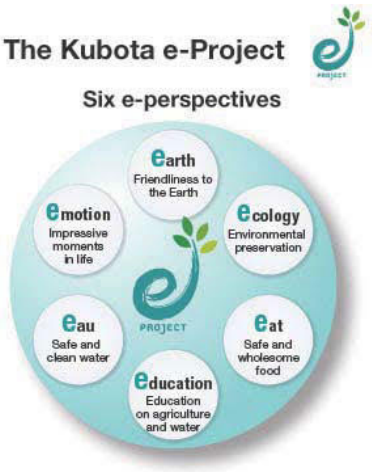
Social Contribution Activities in the Areas of Food, Water, and the Environment

Kubota launched the Kubota e-Project in FY2008 in an effort to contribute to society in the areas of food, water, and the environment.

Kubota Group promises to continue supporting the prosperous life of humans while protecting the environment of this beautiful Earth. Based on this commitment, Kubota seeks the understanding and cooperation of its stakeholders as it contributes to the creation of a sustainable society.

Five Key Points

(1) Effectively utilize Kubota's managerial resources to (2) continuously undertake social contribution activities, including (3) the provision of information to external parties, with a view to (4) solving social issues (5) in the fields of food, water, and the environment.



Basic Policy of the Kubota e-Project

Kubota aims to ensure the survival of the beautiful global environment and help bring about a sustainable society by effectively utilizing its management resources to resolve issues in the fields of food, water, and the environment—elements that are indispensable to people worldwide leading prosperous lives. To that end, we engage in social contribution activities in the following six areas:

1. Food

We contribute to the efficiency in agriculture and stable food production through our business, thereby supporting the sustainable development of agriculture through farm management programs and activities supportive of local farmers.

2. Water and the Environment

We contribute to the reclamation and supply of safe and clean water through our businesses and undertake initiatives that benefit communities and society mainly by improving water environments and planting trees.

3. Educating the Next Generation

We seek to solve issues in food, water, and the environment. By organizing lectures and workshops in these three areas to support the sound development of the next generation of young people, we contribute to the development of local communities and the realization of a sustainable society.

4. Local Communities

As an active member of the many local communities worldwide where we have a business presence, we contribute to community-driven development projects, such as cleanup work and charitable donations.

5. Sports Promotion

In addition to managing the Kubota Spears Funabashi TOKYO-BAY rugby team, we contribute to the revitalization of local communities mainly by promoting the SDGs through team activities, sponsoring local sports teams, and co-sponsoring sports events.

6. Disaster Relief

Our corporate principle is to support people's prosperous lives, which is why we offer our assistance in various ways to regions around the world stricken by natural disasters. Together with our employees, we continue to help local communities get back on their feet as soon as possible by responding to their need for assistance during times of emergency, recovery, and reconstruction.

Kubota e-Project Click

Social Contribution Expenditures

Donations

Donation year	Donation amount
FY2023	¥248 million
FY2024	¥354 million

* Kubota (non-consolidated)

Emergency and Humanitarian Support

Flood Recovery Support in the Valencia Region (Spain)

Pulverizadores Fede, S.L.U. used equipment provided by Kubota Holdings Europe B.V., Kubota España S.A., and suppliers for recovery efforts in the areas affected by flooding in October 2024. The equipment was subsequently provided to other municipalities. In addition, on an individual level, many company employees volunteered in the areas affected by the disaster.

Support for Areas Affected by the Noto Peninsula Earthquake (Japan)

Kubota Environmental Engineering Corporation and Kubota provided support to the areas affected by the Noto Peninsula Earthquake immediately after the disaster in January 2024. They provided nighttime lighting for road repair work and carried out recovery operations at water purification plants, including the dispatch of personnel.

Blood Donor Activity (Japan)

Throughout 2024, blood donation activities were actively conducted at the Kubota Head Office, the Utsunomiya Plant, and Michinoku-Kubota Corporation. Amid the ongoing blood shortage since the outbreak of COVID-19, we are supporting those who need blood transfusions due to illness or injury.

Support for Flood-affected Areas (Thailand)

Siam Kubota Corporation Co., Ltd. carried out recovery operations using tractors and donated 8,000 sets of relief supplies to 19 provinces affected by floods from August to December 2024.

Resolving Issues (Food)

Food Support for Households in Need (Several Regions)

Throughout 2024, the Kubota Group worldwide supported economically struggling households and single-parent families and worked to reduce food waste by making cash donations, donating rice milling machines, and hosting events to provide meals.

Support for Rehabilitation of Abandoned Farmland (Japan)

Niigata-Kubota Corporation, Kubota Agri Service Corporation, and Kubota worked on the rehabilitation of unused farmland in Joetsu City, Niigata Prefecture, throughout 2024. After the land is rehabilitated, we plan to grow vegetables for processing and commercial use.

Resolving Issues (Food)

Provision of Food Supplies to Children's Cafeterias (Japan)

In 2024, the Kubota Group in Japan donated rice, bread, and vegetables grown by the Company to children's cafeterias operating nationwide as part of efforts to combat child poverty and serve as places for community interaction.

Resolving Issues (Water and Environment)

Biodiversity Conservation Through the Removal of Invasive Plants (Japan)

A group of private companies, including Kubota and Kubota Environmental Engineering Cooperation, contributed to the local community around the water treatment plant development project in Oyama City, Tochigi Prefecture, by removing Canada goldenrod and willow plants. These invasive species pose a threat to native plants, including endangered species, in the Watarase River detention basin.

Recycling of Waste Plastic (Thailand)

From September to November 2024, Kubota Research and Development Asia Co., Ltd. conducted a recycling initiative called the "KRDA WON Recycle single-use waste project" to reduce plastic waste that pollutes the environment. This involved collecting plastic bags and packaging film.

Local Cleanup Activities (Several Regions)

Throughout the year, Kubota Group companies worldwide organize employee-driven environmental beautification and cleanup activities as part of the local communities where we operate. Through these activities, we are able to maintain landscapes, preserve ecosystems, and foster communication with local residents.

In Japan, these local cleanup activities are organized as part of "Kubota e-Day." A total of 5,331 employees took part in 2024.






Resolving Issues (Water and Environment)

Conservation of Forest Ecosystems (Several Regions)

In 2024, Kubota Group companies in Japan and overseas partnered with local communities to conduct thinning and reforestation activities to protect forest ecosystems and reduce greenhouse gases.

Creation of Green Spaces (Thailand)

In April and June 2024, Kubota Research and Development Asia Co., Ltd. distributed fruit tree saplings to employees and conducted tree planting in national parks to reduce carbon dioxide emissions and PM2.5.

Resolving Issues (Other Areas)

Hosting and Supporting Local Events (Several Regions)

Throughout 2024, the Kubota Group worldwide hosted and supported community events to contribute to, and engage with, local communities. We opened the doors to our business sites and held an autumn festival, exhibited our products, and offered ride experiences.

Painting Contest for Local Elementary School Students (France)

As part of its community engagement activities, Kubota Farm Machinery Europe S.A.S has held a painting contest every year since 2018 for local elementary school students. In 2024, paintings on the theme of “Christmas Tractor” were invited to be submitted from November to December and the best entries were presented with an award.

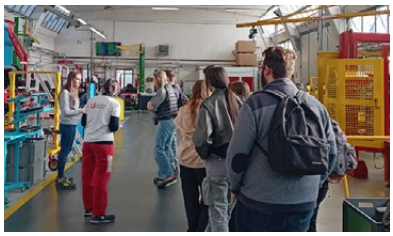
Support for Improving the Livelihoods of Indian Cotton Producers through Personnel Dispatch (Japan)

Kubota teamed up with the NPO Cross Fields to dispatch employees to a cotton spinning machine manufacturer in India. The host company supports improvements in the livelihoods of cotton producers and their families by developing and selling small-scale, compact spinning machines that can be easily utilized by cotton farmers. During the three-month dispatch period, the employees worked to address issues in the local community.

Educating the Next Generation

Factory Tours for Local Residents, Students, and Employee Families (Several Regions)

Throughout 2024, Kubota Group companies in Japan and overseas conducted factory tours as part of next-generation education and community engagement. The tours provided visitors a real manufacturing floor experience in the form of classes on product manufacturing, assembly, and maintenance.



Agricultural Experiences for Children (Japan)

In 2024, the Kubota Group in Japan provided opportunities for children to engage with agriculture and experience the joy of growing produce by organizing planting and harvesting activities for mainly rice and vegetables.

Support for Schools Attended by Children with Disabilities (UK)

In July 2024, employees at Kubota (U.K.) Ltd. utilized the company's volunteer program to paint benches, mow grass, and maintain the playgrounds at a school attended by children with disabilities.

Visiting Lectures (Several Regions)

During 2024, the Kubota Group held events and classes at schools around the world to educate the next generation. Site tours and visits to schools with Kubota Group products are used to explain the Group's relationship with the SDGs and its work in local communities.





Educating the Next Generation

Improvement of Learning Environments in Elementary Schools (Thailand)

In July 2024, Kubota Precision Machinery (Thailand) Co., Ltd. made improvements to the learning environments of children by repairing electrical equipment, affixing safety labels, and donating fans.

“Kubota Active Lab 2024” (Japan)

To get more young people interested in science and technology, since 1985 Kubota has sponsored a basic science seminar run by the Asahi Shimbun, one of Japan’s leading newspapers.

For the fiscal year under review, in July 2024, approximately 260 junior and senior high school students participated in a hybrid event held both on-site and online, where lively discussions took place on the theme “AI Technology Connecting the Future of Food and Agriculture.”

Specialized Technical Support for the Agricultural Sector (Several Regions)

Kubota Group companies in Japan and overseas provided learning support focused on agricultural technology for local farmers, agricultural high schools, and university students. The aim of this was to help them acquire knowledge of agricultural machinery and achieve sustainable agriculture.






Kubota Mainichi Earth Future Prize (Japan)

Kubota sponsors the Kubota Mainichi Earth Future Prize, which seeks to extol and publicly commend individuals and groups working on solutions to social issues at the grass-roots level in Japan and overseas in the fields of food, water, and the environment. In the 14th Kubota Mainichi Earth Future Prize, two organizations were awarded the Grand Prize, two organizations received the Kubota Prize, three organizations were presented with the SDGs Future Prize, and five organizations took home the Encouragement Award. In recent years, we have strongly supported activities aimed at the next generation.

“Agri Kids with Kubota” (Japan)

In July 2024, Kubota held the Kubota Agri Kids Camp 2024 in Hokuto City, Yamanashi Prefecture. The event aimed to get participants involved in community-based agriculture in an area blessed with natural beauty and to spark interest in the future of food and agriculture. A total of 21 upper-grade elementary school students attended the camp, experiencing activities such as farming, cooking, campfires, and stargazing.

Social Contribution Activities through Corporate Sporting Events

Promoting Rugby and Volleyball and Contributing to the Community through the Kubota Spears Funabashi TOKYO-BAY Rugby Union Team and the Kubota Spears Osaka Volleyball Team

Kubota runs the Kubota Spears Funabashi TOKYO-BAY rugby union team, which competes in Japan Rugby League One, and the Kubota Spears Osaka volleyball team, which is in V. League Men.

Through partnership agreements with Edogawa Ward, Tokyo, and the cities of Funabashi, Narita and Ichihara in Chiba Prefecture, Kubota Spears Funabashi TOKYO-BAY is working to contribute to society and solve social issues through rugby in local communities while also promoting the SDGs. In the 2022-23 season, Kubota Spears won NTT Japan Rugby League One for the first time since the team was founded.

The Kubota Spears Osaka volleyball team is working hard to deepen ties with the community through volleyball classes for all age groups—from elementary school students to seniors—under partnership agreements with its main home city of Osaka and its second home city of Amagasaki.

Working together with the Board of Education, a visiting lecture was conducted at a neighboring elementary school (coaching tag rugby.)

The Kubota Spears Academy, which offers rugby coaching for elementary and junior high school pupils, operates at three locations, Funabashi, Narita, and Edogawa.

Players and children getting covered in mud playing “rice paddy rugby”

Girls’ Day Camp, a Kubota Spears Academy coaching session for female rugby Players

(Volleyball team)
Exhibition matches between active players and high school students to improve the competitiveness of local high school volleyball teams

(Volleyball team)
Volleyball class based on the partnership agreement with Osaka City.
Many elementary and junior high schools were visited.

Kubota Spears Funabashi TOKYO-BAY Official Website (only in Japanese) Click

Volleyball team Kubota Spears Osaka’ Official Website (only in Japanese) Click

Chapter

4

Human resources

Amid worldwide calls to ensure that each individual's values and ideas are respected in the workplace, Kubota is engaged in a global initiative to create a workplace environment that benefits from diversity and offers a sense of security. In its deployment of human resources, Kubota will continue to take due account of workplace safety and contributing to employee health so as to create safe and vibrant environments, which will in turn help to build a sustainable society.

<SDGs related to this section>

Outline

Human Capital Strategy

Policy background

- In order for the Company to realize GMB2030, it is essential to expand existing businesses. In parallel, we need to provide solutions to social issues through collaboration among the three fields of food, water, and the environment.
- Since its establishment, the Company has been seeking human resources who can take on challenges for the development of society, and has been operating its business based on the important values of "On-Site Needs First Policy" and "On Your Side Spirit." In order to expand existing businesses and develop new solution businesses, the Company continues to respect these values while focusing on the following three concepts that are necessary to embed in the Company as basic policies: I. Diversity, Equity, and Inclusion (DEI); II. Purpose; III. Promotion of Health Management.

Basic Policy

I. DEI (Strengthening the organization): New value is created by bringing together and connecting diverse human resources, which in turn becomes a source of innovation and sustainability. The Company believes that building a corporate culture that emphasizes "dialogue" and drawing out individual abilities is the key to achieving DEI. The realization thereof will lead to the materiality, "Business operations based on diverse values."

II. Purpose (Strengthening the individual): Each individual must take on the challenge of resolving issues in uncharted areas, and to do so, each individual must have a strong "Purpose" and demonstrate his or her individual strengths. This leads to the materiality, "Improvement of employee growth and job satisfaction."

III. Promotion of Health Management: In order for the Company to continue to create solutions needed by society, the physical and mental health of employees, who are the driving force of the Company's operations, is essential. By creating workplaces in which each individual can achieve a real sense of job satisfaction and fulfillment founded on mental and physical health, we aim to maximize the performance of our organization and thereby underpin the Kubota human capital strategy.

Value Creation Process for Human Capital

(For details see Integrated Report p. 34-35: Human Capital Strategy)

The driving force to solve environmental and social issues through expansion of existing businesses and new solutions in the future will be a "strong and flexible organization" and "diverse and autonomous human resources," and reinforcing them is crucial.

Moving forward with personnel measures grounded in our basic approach to human capital will feed into the resolution of our areas of materiality, and accelerate our expansion of existing businesses and efforts to develop new solutions.

	INPUT			OUTPUT		
Basic Policy	Strategy	Implementation policy	Key measures			
DEI (Strengthening the organization)	Building a corporate culture that emphasizes "dialogue" that maximizes the value of human resources while acquiring diverse human resources and respecting their individuality	Encourage managers to engage with each team member individually and to understand each other's thoughts and feelings	• Maintaining, expanding organization-building workshops • Maintaining, expanding town hall meetings	Material issues	Business operations based on diverse values	Expansion of Existing Businesses and Approach to New Solutions
		Promote co-creation and emergence of innovative ideas by foresting diverse talent pool within highly productive and flexible work environment	• Active recruitment, training of women • Reinforcing the global leader training program • Promoting Kubota Smart Work			
Purpose (Strengthening the individual)	Strategic and systematic development investments to provide growth opportunities for individuals motivated to take on challenges	Strategically and systematically identify and cultivate candidates for future managerial talent	• Enhancing succession planning • Reinforcing human resource development for managers		Improvement of employee growth and job satisfaction	
		Proactively invest in individuals who are eager to take on challenges	• Expanding measures to support career challenges • Encouraging elective training via open application			
	Supporting autonomous career development that prioritizes employees' sense of purpose	Fully support employees' autonomous career development by considering their business aspirations and responsibilities	• Revising personnel declarations • Enhancing career development training • Promoting 1-on-1 meetings			
Promotion of Health Management	Build an investment cycle for effective health policies through data analysis based on the health management strategy map	Starting from improving health literacy, promote appropriate healthcare-seeking behavior and preventive activities	• Strengthening face-to-face and ICT-based support for healthy behavior • Enhancing health education for different ages and positions • Strengthening efforts to create pleasant workplaces		Foundation for human capital	

HR System

Fostering a corporate culture full of vigor that encourages a challenging spirit and creativity.
Utilization of human resources based on each employee's ability and motivation to be the "right person for the job."

Basic concept of personnel system operations

1. Equal opportunity: Each employee can strive to attain any role or position.
2. Right person for the right job: Aim to place the right person in the right job based on their abilities and ambitions.

Overview of Personnel Training, Performance-based Promotion and Compensation

There are three career paths comprising expert positions, staff positions and technical positions for different roles and responsibilities. The personnel system offers personnel training, and performance-based promotion and compensation for each of these career paths.

Employees can change career paths based on their abilities and ambitions.

<table>
<tr><th>Career</th><th>Expert positions
(management class)</th><th>Staff positions
(administrative and general class)</th><th>Technical positions
(technical class)</th></tr>
<tr><td>Definition of personnel
(main roles)</td><td>People who drive the business, solve problems that arise in operations, and exhibit a high level of performance based on their willingness to take on challenges, advanced expertise, abundant knowledge and extensive experience and know-how</td><td>People who contribute to the business, take on challenges for their own growth, and take on broad responsibilities, especially work that requires expertise, creativity and experience, while aiming to establish a field of expertise</td><td>■ People who are in charge of work responsibilities, supervise and nurture subordinates, and achieve work objectives
■ People who improve work processes based on advanced skills, knowledge and experience, and can perform complicated work</td></tr>
<tr><td rowspan="3">Training and education</td><td colspan="3">■ Specialized training for specific objectives: around 160 courses of varying difficulty and subject matter that employees can choose from according to their own goals
■ Correspondence courses
■ On-demand training</td></tr>
<tr><td colspan="2">■ Induction training for mid-career recruits
■ Career development training by age group</td><td rowspan="2">■ Training to upgrade technical skills
■ Training for newly appointed foremen
■ Training for newly appointed supervisors
■ Training for newly appointed group leaders
■ Training for technical positions (Advanced, intermediate, semi-intermediate, and elementary training)
■ Education for new employees (High school, technical college, and vocational school graduates)</td></tr>
<tr><td>■ Training for newly appointed department managers
■ Training to identify next-generation executive/senior management candidates
■ Training for serving section managers
■ Training for newly appointed section managers
■ Optional seminars for expert positions
■ Training for employees promoted to expert positions
■ 360° feedback (for executives)</td><td>■ Training to identify next-generation leadership candidates
■ Business skills training
■ Compulsory training courses in second to fourth years of employment
■ Refresher training in second year of employment
■ Education for new employees (university and graduate school graduates)</td></tr>
<tr><td>Evaluations</td><td colspan="2">■ Employees set targets with their bosses at the start of the year. Meetings are held during the year to evaluate progress towards these targets, followed by a self-evaluation and a review meeting on the achievement status at the end of the year.
■ Bosses evaluate their subordinates, including their performance of processes and work behavior.</td><td>■ Executives set targets with their bosses at the start of the year. Meetings are held during the year to evaluate progress towards these targets, followed by a self-evaluation and a review meeting on the achievement status at the end of the year.
■ Non-executives endeavor to achieve the targets set with their bosses.
■ Both executives and non-executives are evaluated comprehensively based not only on their achievements and results, but also on their attitudes, behavior and roles.</td></tr>
<tr><td>Rotation</td><td colspan="2">The work responsibilities of each employee are reviewed periodically, taking into consideration workplace needs and the employee's preferences, to avoid having employees perform the same work for long periods.</td><td></td></tr>
<tr><td>Ranking
(Basis upon which compensation is determined)</td><td>■ Six rankings
(In addition to the above, advanced specialist grades are set on a five-ranking double track)
■ Moves up in the rankings based on contribution to performance</td><td>■ Seven rankings
■ Moves up in the rankings based on contribution to performance (Some require testing)</td><td>■ 11 rankings
■ Moves up in the rankings based on contribution to performance (Some require testing and technical qualifications)</td></tr>
<tr><td>Salaries</td><td colspan="3">Monthly salaries are set based on ranking and evaluation.</td></tr>
<tr><td>Bonuses</td><td>Bonuses are designed to reflect consolidated performance and individual performance.</td><td colspan="2">Bonuses are designed to reflect individual performance and bonus amounts set as standards in annual labor-management negotiations.</td></tr>
<tr><td>Retirement benefits</td><td colspan="3">Retirement benefits are based on a point system that reflects rank, years of service, and evaluation.</td></tr>
</table>

Employee Profile

New Graduate and Mid-Career Recruits

Towards realizing our long-term vision GMB2030, in addition to expanding our existing businesses, we are also delivering new products and solutions globally. We are therefore focusing on attracting human resources able to perform particularly in advanced research and development fields (e.g. automated driving, electrification, carbon neutral adaptation) and overseas business fields.

Due partly to the growing career-consciousness of students, the graduate recruitment market has changed. Taking these changes on board, we seek in our hiring to match the student's career vision with Kubota's mission. Specifically for students who have a clear idea of their preferred area of work, we offer a recruitment option in which the initial allocated position is in an agreed area of operations. We also offer internships that are directly linked to employment. These programs boost motivation and stimulate performance among new recruits.

Among mid-career recruits, we seek human resources with knowledge in areas that we have never had before to help realize our long-term vision. People who are passionate about resolving issues in Kubota's business domains of food, water, and the environment will be supported to make full use of their accumulated expertise and experience in a range of areas.

In addition to the previous route of recruitment through agencies, we are actively taking a variety of recruitment methods, including referral recruitment.

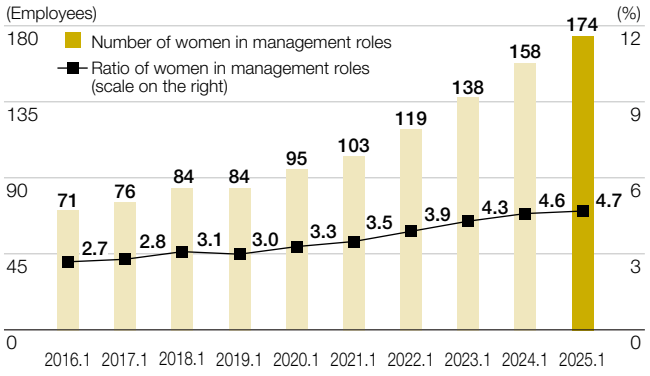
Kubota's recruitment record of the last three years is shown below.

		Total	Breakdown by age			Breakdown by recruitment method		
						Graduate recruits	Mid-career recruits	
			18-29	30-39	40 and over	Regular and blue-collar employees	Management	Regular and blue-collar employees
2022	Male	805	489	254	62	332	52	421
	Female	144	96	37	11	67	5	72
	Total	949	585	291	73	399	57	493
2023	Male	912	573	269	70	440	49	423
	Female	136	111	17	8	86	2	48
	Total	1,048	684	286	78	526	51	471
2024	Male	901	591	243	67	450	48	403
	Female	146	113	23	10	87	3	56
	Total	1,047	704	266	77	537	51	459

Women in Management Roles

The proportion of female employees among management is increasing yearly and has now reached 4.7% at Kubota. As part of an approach that emphasizes equity, we have steadily made changes to the human resource system and taken other measures to ensure a fair system of promotion not based on gender. We have additionally enhanced support for working parents, which promotes women's participation. Going forward, we will further reinforce diversity management so as to implement bias-free staff development and promotion. In this way we will continue to ensure a workplace environment where all employees can participate in a way that matches their individual strengths and thus promote a highly motivating corporate culture.

Trend in the Number of Women in Management Roles (Kubota Corp.)

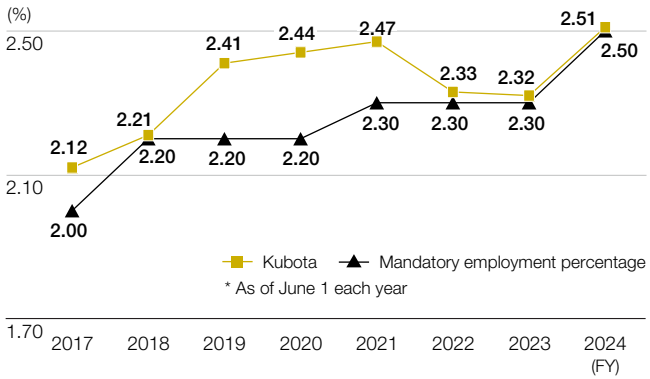


Employment of People with Disabilities

The Kubota Group is active in its initiatives towards the employment of people with disabilities that are aimed at supporting self-reliance, mainly through its special subsidiary company* Kubota Inclusion Works Co., Ltd. (As of June 1, 2024, out of an employee figure of 25,886, the number of people with disabilities was 650.5). Going forward, by continuing to promote the participation of people with disabilities and expanding the business operations of our special companies, we aim to meet the mandatory ratio for employment of people with disabilities and promote harmony with local communities.

* Subsidiary companies where employers give special consideration to the hiring of people with disabilities in order to promote their employment and provide for their social stability.

Trend in Percentage of Employees with Disabilities (calculated under group application system including special-purpose subsidiaries)



Policy on Labor Issues and Related Initiatives

Policy and Basic Approach

The Kubota Group ensures thoroughgoing compliance, not only with relevant laws and regulations, but also with its Charter for Action and Code of Conduct and various internal regulations.

In addition, we are engaging in efforts to create pleasant workplaces in which employees feel a sense of fulfillment and satisfaction. To this end, we are working to avoid labor risks and putting in place systems that thoroughly investigate the root causes of issues as they arise while implementing countermeasures through regular information sharing meetings within the Group and audits of each base.

- **Prevention of overwork**

  To prevent overwork, Kubota promotes accurate monitoring of working hours using information and communications technology, recommends a rest interval of eleven hours between work shifts, is rolling out initiatives toward a 100% uptake rate of paid leave, and promotes workstyles not restricted by time or place by encouraging hourly paid leave, flextime teleworking and other options.

- **Compliance with minimum wage standards**

  Kubota has adopted an internal standard which consists of the minimum wage for the region or the industry plus an additional fixed amount, and aims to pay at a level above this.

- **Equal pay for equal work**

  Kubota does not operate gender-based pay scales and bases its salary structure on equality of opportunity so that each individual employee can participate in a way that allows them to develop their abilities to the full and pursue their ambitions. Additionally, our employment terms ensure that temporary or part-time employees do not experience unreasonable difference in treatment than full-time employees.

- **Employment security for older workers**

  Kubota has extended the retirement age for full-time employees to 65 and adopted a system for continued employment up to the age of 70 in order to create an environment in which older employees with the motivation to work can play an active role.

- **Prevention of child and forced labor**

  Kubota confirms that each prospective employee is at least 18 years old at the time of recruitment. We do not engage in forced labor or unjustly restrain employees should they wish to resign.

Dialogue between Labor and Management

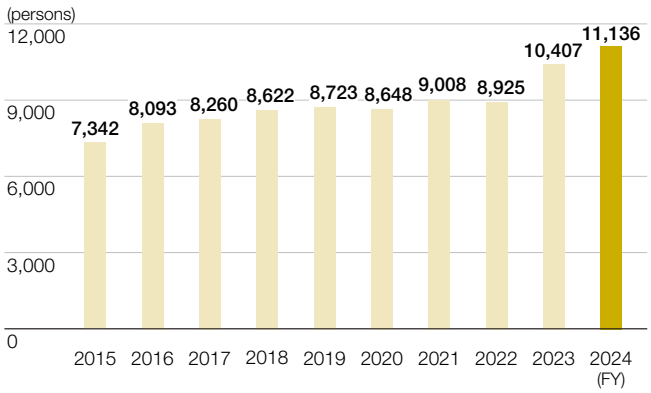
Kubota regards the labor union as the employees' representative and has built up good relations over many years based on active sharing of management information and advance consultation. Additionally, the labor agreement concluded with the Kubota Union guarantees the right to organize and the right to collective bargaining that are the basis of this policy, and grants the union full authority to take collective action. As a specific example of our approach, we have established a range of labor-management committees where working hours and working conditions, diversity and other labor-management issues are discussed in good faith.

Kubota adopts a union shop system, which means that the union membership rate among employees, excluding management, is 100%.

The membership status of the Kubota Union is shown in the graph on the right.

* The membership figures are based on data as of the union's 78th annual general meeting (personnel data as of June 1, 2024).

Trend in the Number of Union Members



Improvement of Employee Growth and Job Satisfaction

Organizational Strengthening

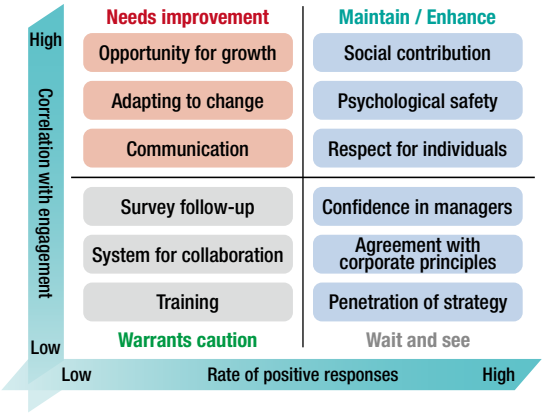
Employee Engagement

To promote K-ESG management, it is crucial for employees to practice the corporate philosophy and to gain the empathy and participation of internal and external stakeholders. As part of the Company's efforts to advance the establishment of the organization in which employees, who are the driving force behind K-ESG management promotion, can feel proud and inspired, and that the organization is rewarding and easy to work for, the Company has been conducting engagement surveys since November 2021. Each corporate organization has addressed the issues identified and is working to create a better overall structure for its employees.

In similar fashion to FY2023, approximately 20,500 employees, including those at domestic and overseas subsidiaries, participated in surveys aimed at improving Group-wide engagement in FY2024. Meanwhile, a survey response rate of 93% indicates a high level of interest from members.

As the survey results vary between different organizations, it is best for each organization to take action suited to its own conditions, but the Group-wide trend is for issues to emerge in the scores for "adapting to change" and "communication." To address this by promoting dialogue within our organizations and building resilience to change, since 2023 we have implemented organization-building initiatives as a tool to invigorate our organizations and improve engagement.

FY	2022	2023	2024
Group-wide	45%	47%	45%
Kubota Corporation (regular employees)	51%	52%	53%
No. of employees surveyed	14,220	21,477	20,373



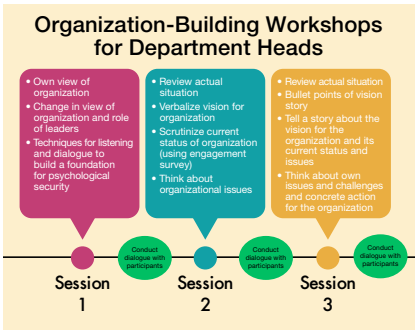
■ Organization-Building Workshops

We have held workshops for heads of departments since 2023, with 93 department heads currently participating from around the country and across different departments. The program in which managers confront not only the engagement survey results, but also their own view of their organization and their individual experiences and work through dialogue with other participants to outline a vision for their organization.

In addition, we also formed an organizational development community (for department heads) in an effort to solve problems through a "dialogue" reframing program in 2024. We then launched a program that involves on-site owners and promotes workplace organizational development, aimed at improving engagement mainly in frontline jobs and targeting employees responsible for the human resources and labor affairs departments.

Flowchart of Dialogue and Activities Based on Survey

Dialogue session at an organization-building workshop



Creating a Corporate Culture through Dialogue

1-on-1 Training for Frontline Job Supervisors

We believe that implementing 1-on-1 training along with fostering an understanding of its purpose and importance among employees—not only those in general administrative positions but also those working in frontline jobs—will help increase Group-wide engagement and promote a culture of dialogue. Last year, we conducted a two-day training program for some frontline job supervisors that focused on dialogue skills and attitudes that elicit proactive action from others.

This training provided participants with an opportunity to reflect on their own communication, think about how to build good relationships with their members, and foster better dialogue to solve problems and concerns together. Going forward, we will seek to expand this culture of dialogue to other business locations.

Town Hall Meetings

We are strengthening internal communication to become “One Kubota” from a communication perspective. As part of this effort, top management actively conducts town hall meetings with section managers (who form the backbone of Kubota operations), as do individual executives with newly appointed managers and younger employees. In order to build a culture of creative dialogue, we believe that managers engaging in direct dialogue with employees based on their own ideas and experiences will help increase employee engagement. In addition, we have worked to ensure effective dialogue for building relationships and cohesion among participants.

Town Hall Meetings with the President or Executive Vice President

	FY2021	FY2022	FY2023	FY2024
Event format	Online		Face-to-face	
Times held	6	25	12	14
Participants	100	400	180	130

Initiatives to Improve the Retention Rate of New Employees

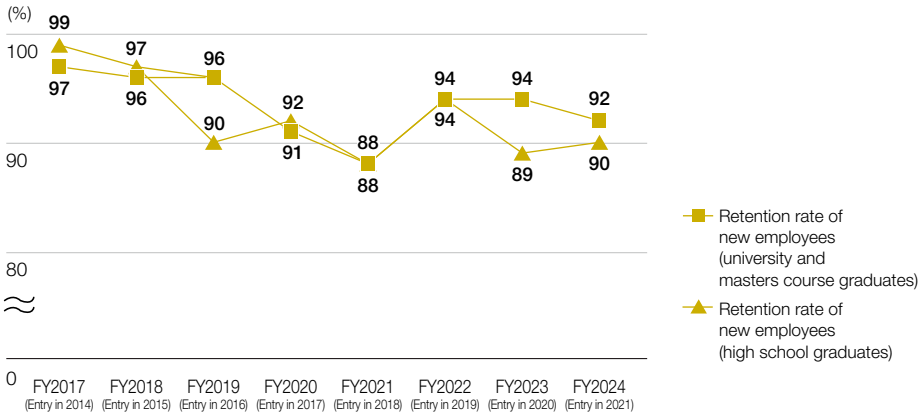
Every year, many new graduates (from universities, masters courses, and high schools) and mid-career entrants join Kubota.

Kubota endeavors to create an environment that allows new employees to settle in and play active roles by offering training programs before assignment and follow-up support after assignment.

In follow-up training in the second year of employment, participants learn not only about resilience as a technique to achieve a mental approach leading to more positive growth, but also undergo individual consultations with human resource staff to check up on their situation after being allocated to a department.

Trend in the Retention Rate of New Employees* (Kubota Corp.)

* Rate of employees staying for more than three years after joining the Company



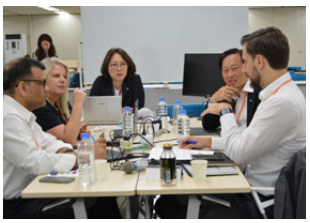
Developing Group Human Resources

Global Talent Development Program

To strengthen global management and human resource utilization toward the fulfillment of GMB2030 and to stimulate local and global business growth, we launched a global leader training program in 2022 as part of efforts to develop global talent, particularly to act as executives in our overseas operations.

In FY2024, this training course was conducted under the Global Talent Development Program, expanding the diversity of participating regions and participant characteristics. The program aims to achieve the following objectives: understand Kubota's strengths and uniqueness, foster a sense of unity as "One Kubota," and integrate diverse values that will serve as the foundation for global management. These objectives will be realized through group sessions using original case studies, dialogue with visiting executives, site visits, and group work involving a diverse array of members.

To keep up with progress toward global management, regional management companies engage in activities to deepen cooperation among management executives and to develop the next generation of leaders. Looking ahead, we will further link global and local human resource development efforts to produce leaders who can make optimal decisions on a regional and local basis while maintaining a global management perspective.



Global competencies

Global Mindset Development Program

In order for Kubota to achieve further growth as a truly global company, every effort must be made to develop leaders with a global mindset and build a new global culture for the Company. To this end, we launched a global mindset development program for domestic general managers (Farm and Industrial Machinery Consolidated Division) aimed at further promoting the development of Kubota's global culture from October 2024.

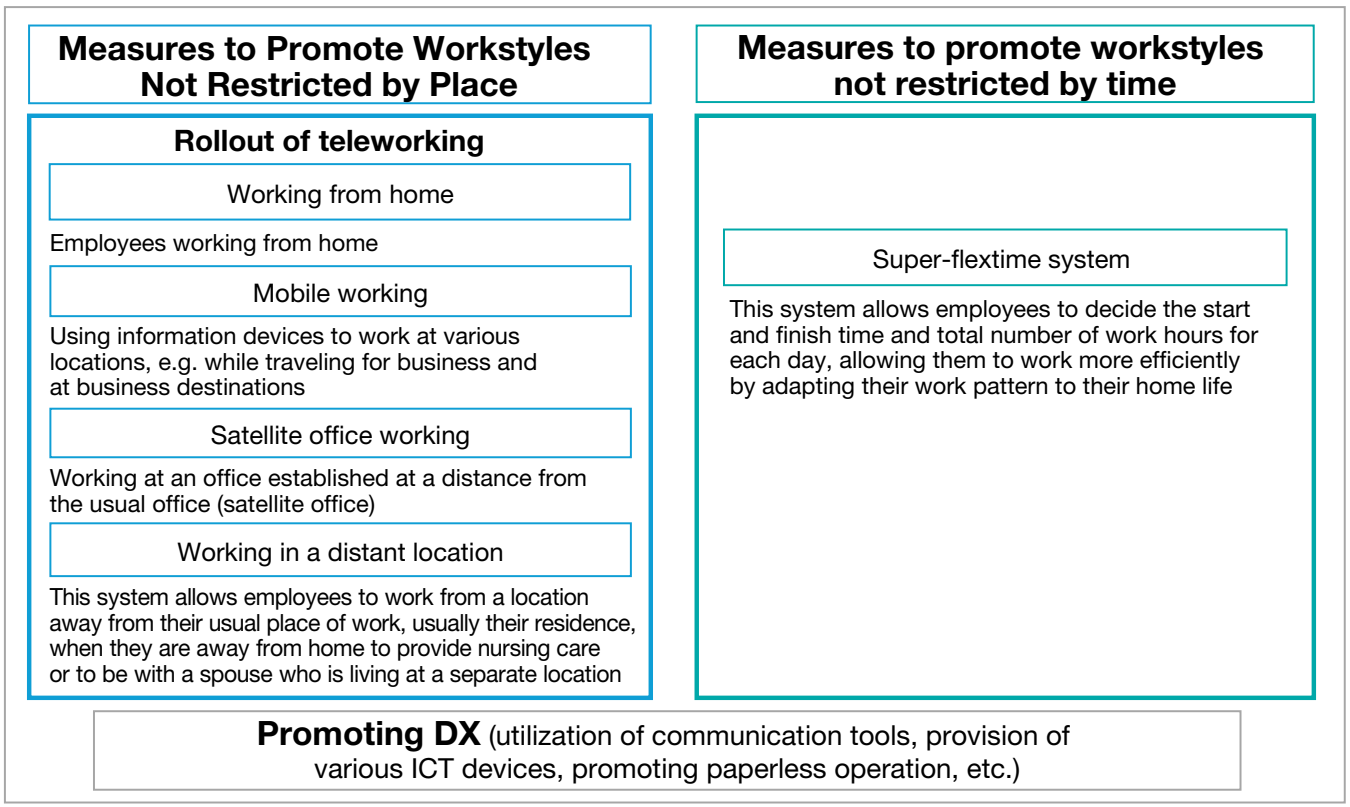
120 managers have participated in this program, which deepens self-awareness through individual assessments and broadens the mindset of participants through lectures by global leaders from overseas offices.

Promoting Diverse and Flexible Workstyles

Promoting the Kubota Smart Working System

The working-age population is shrinking due to demographic aging and falling birth rates while working adults have increasingly diverse needs, including having to manage both childcare and nursing care for family members. To adapt to such trends, we face the important tasks of improving productivity through investment and innovation and at the same time putting in place an environment with expanded employment opportunities where staff can develop their abilities to the fullest and pursue their ambitions.

In response to the situation, Kubota enables employees to work in a variety of ways and allocate their time efficiently, provides expanded employment opportunities, and enables them to develop their abilities to the full and pursue their ambitions. This will in turn promote improvements in productivity, employee performance, and job satisfaction.



(1) Working from home

This system allows employees to work for a guideline maximum of three days a week at their home or an equivalent location (e.g. a location that the employee has registered with the Company as their place of residence, the residence of a spouse who is living separately for reasons of the spouse's work or for other reasons to do with the employee's circumstances, a property owned by the employee or spouse, a communal facility within the employee's apartment block).

* Another location authorized by the Company is also permissible but only in the case of an employee providing nursing care or attending a spouse who is giving birth

(2) Mobile working

This system allows employees to work when they are on business travel using information devices in locations where it is possible for their regular duties to be carried out securely and appropriately (e.g. in vehicles or waiting rooms while on a business trip, at the office of the customer that is the objective of the business trip, at catering facilities where lunch is taken during the trip, at a hotel where the employee stays during the trip, at a shared office on the route of the business trip).

(3) Satellite offices

This system allows employees for personal reasons to work at a satellite office space designated by the Company.

* This is limited however to locations on the employee's usual route to work or closer to the employee's residence than the usual place of work

(4) Working in a distant location

Employees can apply to work under this system if they wish to live together with a spouse who is currently living separately, or where a family member requires nursing care. It allows the employee to work from anywhere in Japan in cases where the distance from the residence to the usual place of work by bullet train is more than 200 km one way and where it is possible to travel in five hours or less using public transport between the nearest station to their residence and the nearest station to their usual place of work.

(5) Super-flextime system

This is a flextime system with no core time that allows employees to decide for themselves the start and finish time and total number of work hours for each day as long as they meet the fixed monthly total of working hours.

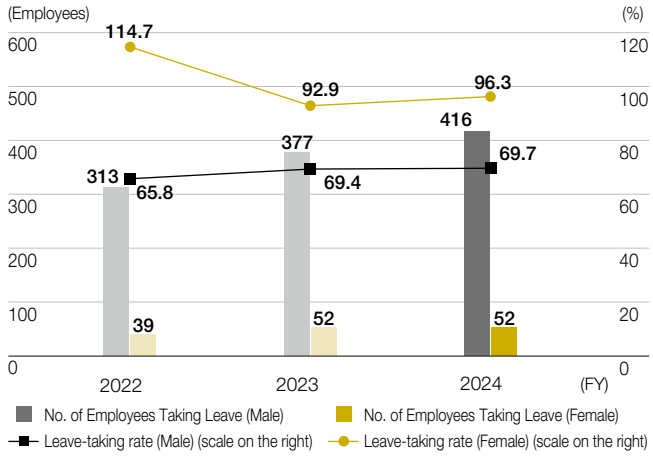
Support a Better Work-life Balance

To support employees who combine work with childcare or nursing care, Kubota is taking steps to put in place a work environment that helps male and female staff equally to maintain a work-life balance. In FY2022, we introduced a new system of child-planning leave for infertility treatment, through which we continue to support employees' goals in life.

Combining Childcare with Career

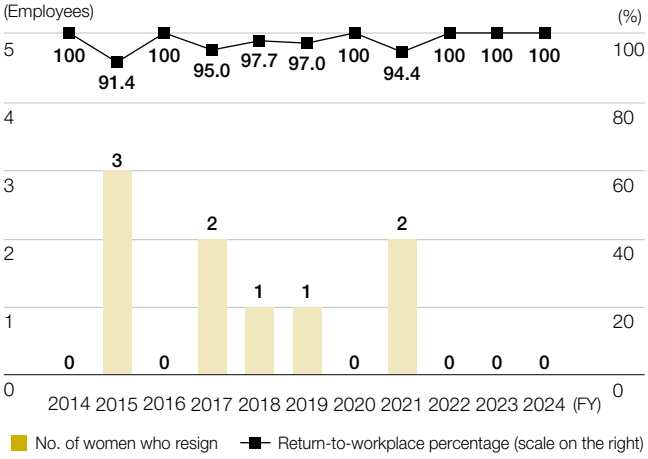
In promoting the action plan for general business operators set out in the Act on Promotion of Women's Participation and Advancement in the Workplace, Kubota is eliminating consciousness of gender-based roles in responsibility allocation. We encourage all employees to take childcare leave, for which the rate of uptake is increasing year by year. Meanwhile, to dispel concerns about returning to work after childcare leave, we hold online support seminars for employees on childcare leave and their managers, thus creating conditions that allow staff to continue building their career at Kubota after returning from childcare leave. (Kubota emphasizes that taking leave to raise one's children does not mark the end of one's career. Accordingly, we refrain from using the term "holiday leave" and refer to this instead as "childcare leave.")

No./Percentage of Employees Taking Childcare Leave (Kubota Corp.)



* Figures, including for past years, have been calculated and revised in accordance with the calculation method established by the Ministry of Health, Labour and Welfare based on the Child Care and Family Care Leave Act.
* If the year of a child's birth and the year childcare leave is taken differ, the leave-taking rate may exceed 100%.

Trend in the Percentage of Women Who Return to Work After Taking Childcare Leave (Kubota Corp.)



* Calculated based on the following periods: for years prior to 2022, from April 1 to March 31 of the following year; for 2023 and after, from January 1 to December 31.

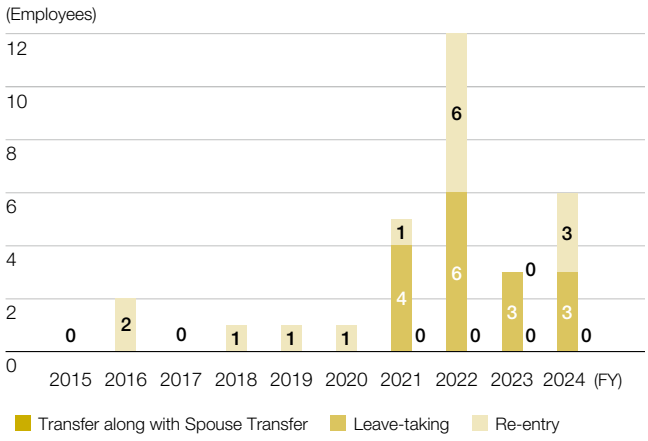
Family Support Leave

The system for special leave to support employees combining work with family duties was expanded targeted employees in 2018. This enables covering special leaves not only for childcare-related issues, but also nursing care for family members. Expanding the number of eligible employees has had a positive impact in terms of increased workplace understanding for issues around balancing work and family needs.

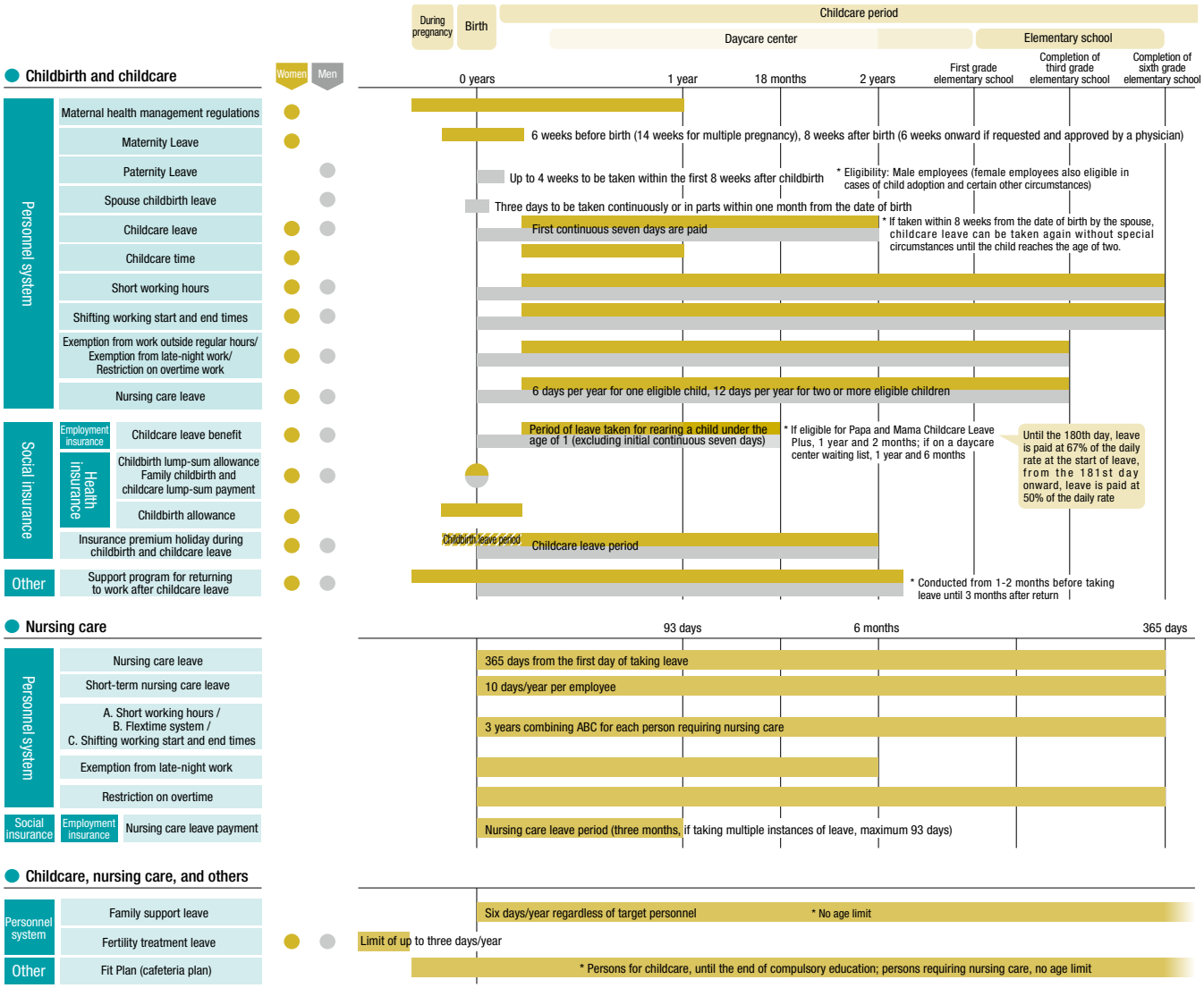
System for Leave-taking, Re-entry, or Transfer along with Spouse Transfer

Kubota has put in place a system that makes it easier for employees whose spouse has to relocate for work reasons by allowing them to obtain a work transfer to the same location or to take leave and later re-enter the Company. The system prevents as far as possible staff attrition due to spouse job transfers, contributing to employee retention and motivation to continue working.

Number of People Using the System for Leave-taking, Re-entry, or Transfer along with Spouse Transfer (Kubota Corp.)



Systems Supporting Balancing Work with Family Needs



Promoting the Use of Annual Paid Leave

Kubota believes that taking paid leave is highly effective not only in helping employees maintain their mental and physical health and preventing excessively long working hours, but also in helping them to achieve a good work-life balance and thereby boost job satisfaction.

Kubota encourages the use of paid leave in cooperation with the labor union (Kubota Union) based on a jointly agreed promotion policy and specific incentive measures.

The number of days of annual paid leave taken in the last three years is as shown below.

2022	2023	2024
110.5%	106.3%	104.4%

Promotion Policy

1. Recommend that employees take paid leave during labor management negotiations.
2. Create an environment where it is easy to use paid leave.
3. Foster opportunities to rethink the way one works.

Specific Measures of Encouragement

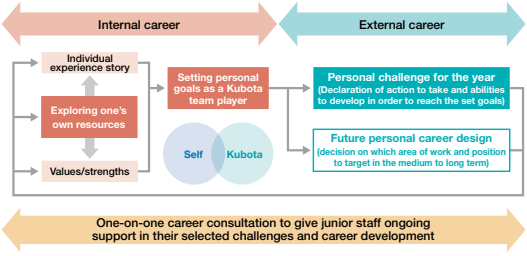
1. Set achievable targets company-wide.
2. Continue and strengthen initiatives unique to each business site, and spread awareness and disseminate information about using annual paid leave.
3. Discuss and implement efficient ways to work, visualize work, and create work manuals to promote communication at each workplace about using paid leave.

Strengthening Individuals

Offering Opportunities for Reskilling and Growth

■ Reviewing Career Development Support Systems

To engage in dialogue that helps build human resources value and to guide individuals toward independent growth, it is important to take action that not only involves understanding experience to date and preferred future area of work, but also organizing one's own values, strengths, and aspirations while arranging and supporting future career challenges between managers and members. To this end, we established a system for employees to enter their own important values and attitudes in personnel reports to promote self-understanding and introspection, thereby enhancing individual growth and motivation to take on challenges in 2024.



In addition, we are working to support the growth of each member by developing guides that incorporate career theory and coaching elements in each workplace to deepen their career aspirations and promote active dialogue between managers and members at the time of personnel reporting.

■ Measures to Support Career Challenges

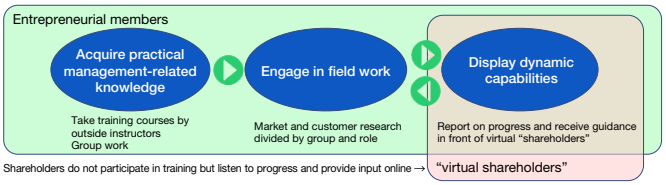
To create a supportive environment for helping employees to take on the challenge of independent career development, Kubota offers: (1) entry via open application; (2) opportunities to take on a second in-house position; and (3) Cross My Field, a program of cross-departmental learning in and out of house.

Cross My Field (cross-departmental learning in and out of house)

This is a human resource development program that offers employees the chance to step beyond their current organization and area of operations to interact with a wider range of people and experience the real world of business, providing a tangible sense of personal growth. Since the system was launched as a trial in 2021 with Kubota products as its theme, it has offered the opportunity for employees to challenge themselves through a range of programs each year, with the host institutions of its cross-departmental learning programs including in-house facilities as well as external enterprises and institutions in Japan and overseas.

Since 2024, we have been offering the "Entrepreneurship School" to fully cultivate an entrepreneurial spirit so that employees can take on the challenge of pursuing bold and innovative business models without fear of failure.

A total of 47 people is currently participating in the program, including those who want to take on the challenge of creating new businesses at Kubota, those who are interested in in-house venture concepts, those who want to acquire an entrepreneurial mindset, and those who want to broaden their horizons by venturing into different fields. In the first phase, we are exploring the possibilities of business concepts beyond Kubota's existing framework from various perspectives. In addition, we are currently exploring ways to realize these businesses with related departments and external partners.



Strategic Provision of Learning Opportunities

Selective Training

(1) Kubota Leadership Training (KLT)

KLT is provided for section managers and develops capabilities of looking at the future from a better vantage point and considering business direction. It also brings about leaders who can plan and develop strategy.

(2) K-WAVE (training for the personnel who will be the next generation of executives)

Targeting mid-level administrative/technical employees, we work to quickly identify and train the visionary leaders who will drive new business and innovation in the future.

Training Targets and Number of Trainees

	Target group	2022	2023	2024
KLT*	Section managers	—	23	—
K-WAVE	Mid-level administrative/ technical staff	19	19	28

* Held every other year

Rank-Based Voluntary Training

(1) Optional seminars for managers

These lectures on the theme "Stimulation, knowledge, and experience" are offered in order to extend beyond management the opportunity to broaden horizons and build core capability as a manager.

(2) K-Step

This is a program for mid-level employees to impart the knowledge and skills required to carry out projects and high-added-value operations and lead a team.

(3) Foundation training for adult professionals

For young employees to grow rapidly into human resources capable of performing high-added-value operations, we have identified the core business skills required to put in place a training system. We recommend employees to attend.

Photo taken at one of our optional seminars for managers: Zen and Leadership (see item (1) above)

Nurturing Global Human Resources

Overseas Trainees

Since 1997, Kubota has dispatched around 20 employees each year to its overseas subsidiaries and affiliated companies for training purposes. In this manner, we have placed considerable emphasis on training global human resources who are capable of playing an active role globally. In specific terms, we have provided opportunities to gain practical experience at overseas sites and to spend time immersed in foreign cultures and environments.

This trainee program provides our younger employees with opportunities to take on new challenges without fear of failure and to acquire experience at local sites. This in turn helps nurture courage while developing problem-solving skills. The knowledge and experience gained during this period also play a significant role in career development after the program ends, while paving the way for multiple career paths, both domestically and globally.

We will continue to actively conduct this program as an effective approach toward training global human resources, and will work to develop human resources who can succeed within the international community.

Program of Sending Employees to Emerging Countries (Corporate Volunteering Program)

In 2023, we introduced a Corporate Volunteering Program with the aim of nurturing Kubota's future global leaders who will drive solutions to social issues through business. This program will promote solutions to social issues by sending employees to non-governmental organizations and social enterprises in the emerging economies in Asia.

Following on the heels of Cambodia and the Philippines in 2023, we called for program applicants in 2024, dispatching the selected employees to India for 3 months. Together with the CEOs of local social enterprises*, these employees attempted to use their skills and experience acquired at Kubota on projects to address social issues.

We will continue to send employees to this program with the aim of nurturing global leaders. We are confident that the experience gained during the program will not only serve their personal growth but also prepare them to take the lead across Kubota as a whole.

* Social enterprises are companies that work to address social issues in tandem with the pursuit of profit.

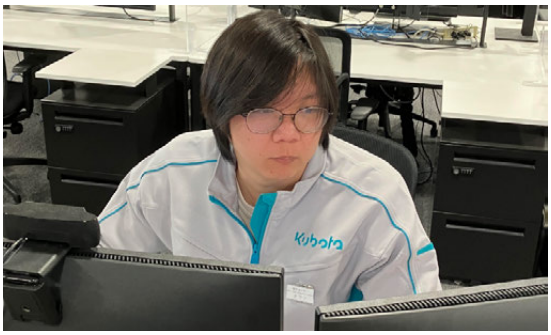
Introducing the Global Mobility Program

In 2024, Kubota launched the Global Mobility Program, through which it dispatches local employees from overseas sites to Japan as expatriate workers. Program participants are allowed to perform duties and undergo training.

As the first case, we dispatched an engineer from Thailand to perform analysis tasks as part of durability testing for harvesters and tractors in July.

The local overseas employees are able to learn about Japanese technologies, as well as the differences in communication and work styles at the departments to which they were dispatched. This in turn is serving as a positive stimulus for both.

We will continue to promote the dispatch of employees from overseas in an effort to train global human resources.



Introducing a Selection-based English Global Communication Enhancement Program

In order to further enhance its profile globally and to expand business as a company that aspires to become a Global Major Brand (GMB), Kubota recognizes the importance of human resources that can utilize English to play a role on the world stage.

In June 2024, we therefore conducted a questionnaire on English competency levels at all Kubota workplaces, and visualized the gap between the current state of duties carried out in English at each department and our expectations. At the same time, and as an outcome of a cross-analysis of the questionnaire results and employee English scores, we recognized the need to put in place a program that would help develop the practical level of language capabilities required to perform international work. This program will differ from the self-development-type learning programs we have offered thus far as an employee benefit.

In January 2025, we launched a practical English language program that revolves largely around a debate and discussion format in an effort to strengthen English language and global communication skills.

Reducing Risk for Employees Working Overseas

With the collaboration of specialist medical treatment and security companies, the Kubota Group is working to reduce risk for employees posted overseas and their accompanying family members and for employees on business trips overseas.

- To deal with medical needs, we have rolled out a system that provides services including consultation with a doctor by telephone from overseas and arrangement of emergency medical transport.
- To deal with security needs, our system monitors security information related to overseas destinations, and provides information to employees. In addition, when certain dangers are detected, this system prohibits overseas travel based on our own judgement. Moreover, in 2022, we strengthened safety controls for those on overseas business trips by introducing an automated safety confirmation system that operates 24 hours a day, 365 days a year, thereby enabling us to verify the safety of employees on business trips in the event of an emergency. This move was made in response to the increasing risk of becoming involved in unexpected situations during overseas travel due to growing social instability coinciding with today's unstable international relations, as well as to the large-scale natural disasters that have been growing in severity.

In addition, and in an effort to create safer, more comfortable working environments than ever before for employees serving overseas, we established an overseas crisis management team in December 2024. Several of our future initiatives for enhancing employee convenience and fostering safety awareness include building a digital platform for risk management, providing safety training to employees, and making safety training videos.

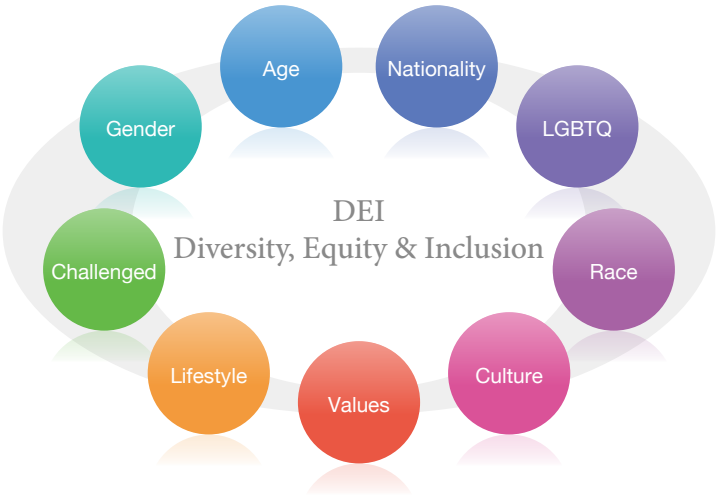
Diversity

Basic Approach

The Kubota Group is promoting diversity, equity, and inclusion (DEI) as a management strategy. Recognizing that there are different values and ways of thinking and bringing out the full strengths of diverse personalities leads to high value creation. As such, it is vital for the organization's sustainable global growth. We provide work environments where individual employees, regardless of gender, nationality, age, experience, values, etc., can express their personalities and thrive. We have developed systems that make it reasonable for employees to work in a way that suits their own situation, so that they can work with enthusiasm. An inclusive culture where diversity can thrive leads to a recognition of individual abilities, experiences, and ways of thinking, and the ability to further demonstrate individual strengths.

Kubota Strives for Diversity Management that Captures the Potential of Every Individual

Kubota is a global company engaged in businesses in various regions around the world. Employees from diverse backgrounds collaborate to implement our strategy and drive business growth. We respect each person's differences and leverage them as a strength in creating new value. The goal of Kubota's diversity management is to transform diversity into creativity.



External Certifications and Evaluations

We formulated an action plan based on the "Act on Advancement of Measures to Support Raising Next-Generation Children" of the Ministry of Health, Labour and Welfare. We obtained "Kurumin" certification in 2013. In promoting the action plan for general business operators set out in the Act on Promotion of Women's Participation and Advancement in the Workplace, we have been working to dispel perceptions of fixed gender-based roles. We carry out educational activities and provide flexible systems aimed at ensuring that our work environment is one where men are encouraged to take childcare leave.

We received a Gold rating in the PRIDE Index 2024, which was created by the voluntary organization work with Pride. To ensure that our diverse human resources can demonstrate their capabilities and play an active part, we have included same-sex partners and common-law spouses where our in-house regulations refer to "spouses" so that more employees can benefit from our in-house and welfare systems.

As part of the D&I Awards 2024, organized by JobRainbow Co., Ltd., we were certified as a Best Workplace, an honor that is bestowed upon leading companies in the area of D&I promotion in Japan and abroad. In line with our policy on DE&I, we will harness diversity to drive creativity, and promote more motivating workplaces.

As a company that is a particularly strong leader in initiatives that support balancing and enabling dual careers and co-parenting for both men and women, in FY2025 we were selected as a member of the Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting, jointly organized by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE).

The Women's Empowerment Principles (WEPs) is a set of principles jointly prepared by the UN Global Compact*1 and UN Women*2 in March 2010 to create work and social environments where women's strengths can be leveraged in corporate activities.

The Kubota Group supports these principles and endorsed the doctrine in July 2012, thus positioning gender equality and the empowerment of women as focal points of its management and pledging to autonomously carry out initiatives.

*1 Global initiative to achieve sustainable growth in international society announced by the UN Secretary-General at the 1999 World Economic Forum.
*2 United Nations entity working for gender equality and the empowerment of women.

Initiatives for Fostering an Inclusive Culture That Enables Diverse Human Resources to Play an Active Part

Implementing and Continuing Unconscious Bias Training

Having positioned DE&I as one of its core management strategies, the Kubota Group is working to foster an inclusive culture that enables diverse human resources to play an active role. As part of this effort, we initiated Unconscious Bias Training to deepen the understanding of unconscious bias, and to enable each individual to take action. The training programs we organized in November 2024 were targeted at executives and those in managerial positions. Going forward, we plan to expand eligibility for this training and conduct ongoing training.

We will also launch initiatives through which all of our employees will seek to build a workplace culture in which diverse human resources are motivated to play an active part. This will result from the efforts of each individual to recognize their own unconscious bias, become aware of this issue, and take action.

Women Empowerment Initiatives

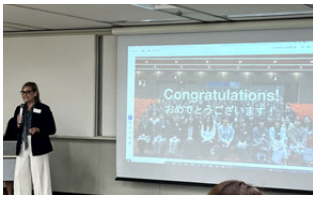
Holding of the Women's Empowerment Forum and Exchange Meetings

We have continuously held the Women's Empowerment Forum since FY2023 where the company president and other members of the executive team emphasize that women's participation is essential to Kubota and communicate directly to female employees their commitment to women's empowerment. During the exchange meetings held following the Forum, we provide opportunities for female employees to speak directly with the executives with the aim of fostering a workplace culture in which employees aspire to self-actualization, and are motivated to play an active role.

Women's Empowerment Forum



Exchange meeting

Exchange meeting between female managers from Kubota and Kubota North America Corporation

Team Activities by the Women's Employee Resource Group (WERG)

In the fall of 2023, we launched WERG for the purpose of encouraging interaction and mutual support among female employees. This Group has initiated activities to encourage women to break down barriers, as well as to demonstrate their full potential, by bringing female leaders together from across organizational boundaries, and by building new connections through self-driven activities. Since 2024, the 22 core members, all of whom are female managers, have interacted with other companies and conducted internal surveys. Moreover, their suggestions about improving the environment based on the knowledge they have acquired from other companies and their own experiences have led to activities that enhance the motivation of future generations, and improve the comfort of work. In FY2024, they supported the building of relationships that enable mutual support across the globe. This includes through meetings with the HR Department leaders from Kubota North America.

Developing Female Leaders

The Global Leader program started its "Global Talent Development Program" in 2022. This training is provided to Develop Kubota's potential global leaders and prepare them for future global roles by giving them a deeper understanding of Kubota's core values and background, and an opportunity to apply what they have learned. Developing Kubota Leaders through the Global Leader Development Program also provides networking opportunities to discuss global challenges and solutions. The 2024 Global Leader program completed its third year after ending its final session at the Global Annual Meeting, held from January 27 to 31, 2025.

A diverse group of members from all over the world participate in the evolution of global management of the machinery business, and in its last 2024 course, the program had its most diverse group ever with participants from India, Thailand, Japan, Europe, North America and representation from other AEAN Countries. In addition there were five females that joined the program from each Region. The Global Leader program strives to find diverse candidates.

Participants of the "Global Talent Development Program"

Support for Job Creation and Establishing a Work Environment for People with Disabilities

Two Special Subsidiary Companies Merge to Form a New Company

Two special subsidiary companies, Kubota Works Co., Ltd. and Kubota Sun-Vege Farm Co., Ltd., merged to form the new company, Kubota Inclusion Works Co., Ltd., in January 2025.

Through this merger, we will generate synergies and further promote the employment of people with disabilities, while at the same time working to expand the exchange and development of human resources as well as the scope of work.

Hiring People with Disabilities to Support Self-Reliance

The Kubota Group is active in its initiatives towards the employment of people with disabilities that are aimed at supporting self-reliance, mainly through its special subsidiary company Kubota Inclusion Works Co., Ltd. Kubota Inclusion Works currently employs over 200 people with disabilities in cleaning, office support, and Sun-Vege operations. The company operates at various Kubota Group bases and the number of locations is also increasing. To support job creation, Kubota Inclusion Works is cooperating actively with each of our Group companies to develop operations in the areas such as mask fitting tests in production factories.

Creating an Environment Where People with Disabilities Can Participate and Demonstrate Their Abilities

We have introduced in-house training and qualification systems and encourage employees to enter Abilympics contests and to work for the qualification of skilled office cleaner.

In Abilympics contests, Kubota Inclusion Works' employees have achieved significant results in both national and regional contests. This includes four employees ranking in the top three places in FY2024.

Our support system requires as standard the allocation of one support worker for every five people with disabilities, ensuring an environment in which each individual can demonstrate their abilities with confidence.

Contributing to Harmony and Connection with Local Communities

Kubota Sun-Vege Farm's Kanan Farm is involved in initiatives to use hydroponic cultivation (growing plants without soil) to grow vegetables safely and securely with the goals of living in harmony with the community and the practical use of unused agricultural land. The farm's vegetable produce is used in our company cafeterias and made available for sale to our employees. It is also sold at supermarkets in Osaka Prefecture, helping to create connections with local communities.

Going forward, by continuing to promote the participation of people with disabilities and expanding the business operations of its special subsidiaries, Kubota will work to maintain the mandatory employment ratio for people with disabilities and achieve harmony with local communities.

Health & Productivity Management

Basic Approach

Employee mental and physical health is the foundation for a positive and motivated workplace and a vital and precious ingredient in the satisfaction of employees and their families.

The Kubota Group believes that maintaining and promoting employee health is the key to creating a vibrant workplace and generating new value and therefore actively promotes health and productivity management. We understand that maintaining a culture that values employee health is an important management issue, as it enables individual employees to preserve their mental and physical health and promotes a motivating and positive environment where each team member feels fulfilled and happy in their work, resulting in sustainable corporate growth.

* Health & Productivity Management as featured in this publication is a registered trademark of the Nonprofit Organization Kenkokeiei.

Kubota Group Health Declaration

To firmly embed the vision and approach of our health and productivity management throughout the organization, we formulated the Kubota Group Health Declaration in July 2021.

Kubota Group Health Declaration

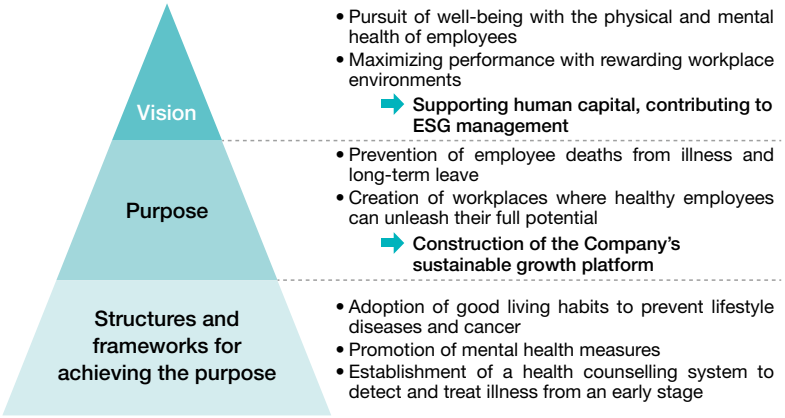
The Kubota Group declares its commitment to realizing the well-being of its employees and their families, and contribute to solving food, water and environmental issues as well through its business activities, by enabling each individual employee to preserve their physical and mental health in a motivating and positive work environment, being able to utilize their capabilities and individuality in their work.

Vision for Health & Productivity Management

The Kubota Group's vision for health and productivity management is to contribute to Kubota's ESG management vision by:

[1] Ensure that all employees are physically and mentally healthy and feel fulfilled and happy, and

[2] Maximize individual and organizational performance by creating a rewarding work environment

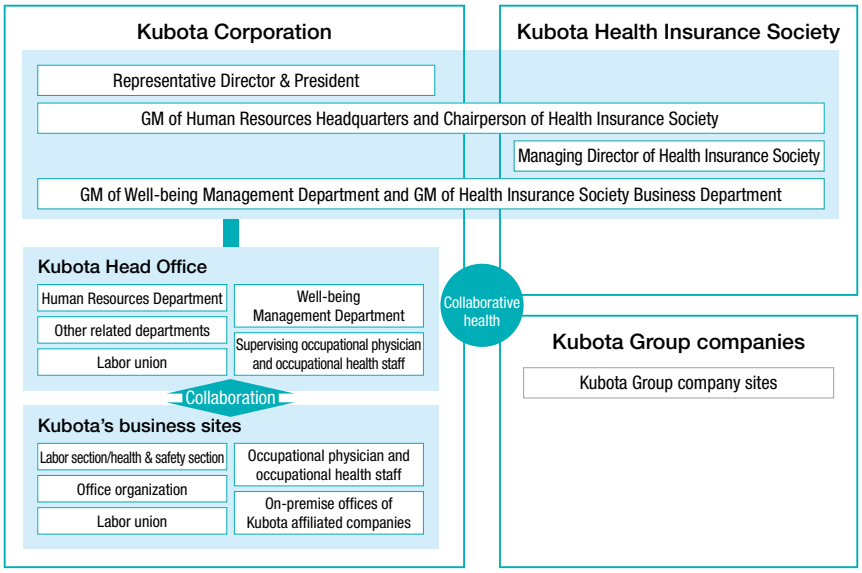


Health & Productivity Management Promotion System

At the Kubota Group, executive management takes overall responsibility for promoting health and productivity management and implements this activity in close collaboration with the Kubota Health Insurance Society, coordinating also with the Well-being Management Department, Kubota's occupational health nurse, human resources departments, and other corporate divisions.

In addition, the Central Health & Safety Promotion Council, which includes labor union members, meets every year to share information on health management initiatives and discuss policies for the next fiscal year.

* As of January 2025: 11 exclusive occupational health physicians and 43 occupational health nurses



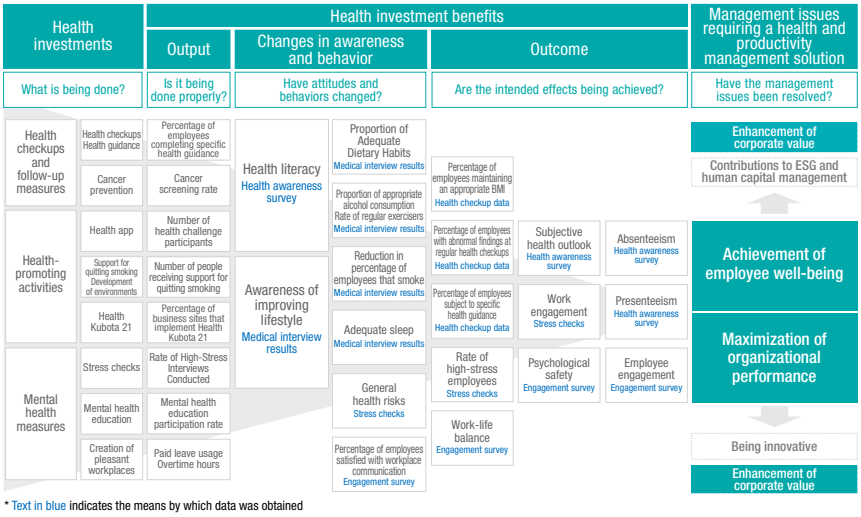
* Collaborative health refers to the Company and the Kubota Health Insurance Society jointly managing data analysis and strategy formulation.

The Linking of Our Vision for Health & Productivity Management with Health-Related Measures

We have formulated a health and productivity management strategic roadmap that visualizes the links between our measures to invest in health and the management issues we wish to resolve with our health and productivity management activities.

Going forward, we will apply multivariate analysis to data from health checkups, data on working hours, and data collected in a range of surveys to investigate and verify various factors, for example which of our measures to invest in health have the greatest impact on employee awareness and behavior. This will enable us to carry out regular updates so as to set up a more effective and sustainable human capital investment cycle.

Kubota Group Health and Productivity Management Strategic Roadmap



* Text in blue indicates the means by which data was obtained

Key Issues and KPIs

Based on our vision for the future and an assessment of current employee health status, the Kubota Group implements health and productivity management initiatives in close collaboration with the Kubota Health Insurance Society, focusing on three key issues: prevention of lifestyle diseases, measures to support mental health, and early detection and treatment of cancer.

Prevention of Lifestyle Diseases

To complement health guidance from medical professionals, Health Kubota 21 Promotion Committee members appointed at each business site have taken the leading role in an initiative to roll out primary prevention activities in five areas: diet, exercise, quitting smoking, alcohol, and sleep, which are pillars of lifestyle disease prevention. Meanwhile, as a measure to improve employees' daily diet, all our business cafeterias are introducing so-called smart meals, which are certified by the Consortium for Healthy Meal and Food Environment General Incorporated Association based on a standard set by the Ministry of Health, Labour and Welfare.

Mental Health

As part of our effort to enhance primary prevention and promote efficient and effective mental health measures, we make the legally mandatory offer of medical consultation to employees with high stress levels, or, if they prefer, self-care support sessions with a nursing professional. We also use the results of group-based stress check analysis to support measures to improve the workplace environment, such as inquiry meetings at workplaces with high levels of health risk and horizontal rollout of good practice from workplaces showing a year-on-year improvement.

We are also working to advance awareness toward mental healthcare among our employees by providing self-care education courses for all employees in Japan and education courses for managers in how to care for their staff through the medium of e-learning. We facilitate easy access to these courses by making them available on the smartphones issued to all employees for work purposes.

Early Detection and Treatment of Cancer

With the aim of improving the cancer screening participation rate, we are bolstering cancer screening in the workplace and improving the subsidy system in order to facilitate an increase in medical check-ups.

In addition to using a mobile facility to provide workplace breast cancer screenings, we launched in 2025 the "Women's Cancer Screening Subsidy System," which increased subsidy amounts and lowered the eligible age as part of our effort to increase cancer screening awareness among younger people. We also invest 3 million yen annually for gastric cancer screening and provide subsidies every other year to employees to help cover the cost of gastroscopy examinations at medical institutions.

As part of our initiatives aimed at advancing the early detection and treatment of cancer, when screening results indicate the need for further testing, we provide a range of support services to employees, including referral letters to encourage them to visit a medical facility and assistance in confirming the results of the examinations.

KPIs

(%)

	Focus categories	2025 target	2022	2023	2024
Lifestyle diseases	Ratio of smokers	18.0 or lower	27.6	27.9	27.3
	Ratio of regular exercisers (at least 30 minutes per day)	45.0 or higher	31.2	31.7	32.4
	Ratio of healthy BMIs (BMI between 18.5 and 24.9)	75.0 or higher	66.0	66.1	64.8
Mental	Rate of high-stress employees	10.0 or lower	9.8	8.5	7.8
	Percentage of departments with a general health risk of 120 or higher	0.0 or lower	1.6	0.6	1.0
Cancer	Colon cancer screening rate	75.0 or higher	78.9	78.7	79.9
	Gastric cancer screening rate	60.0 or higher	59.1	57.3	55.2
	Cervical cancer screening rate	50.0 or higher		42.3	
	Breast cancer screening rate	60.0 or higher	61.4		56.4
Final evaluation	Presenteeism (Performance level)	83.0 or higher	81.0	80.0	81.0
	Absenteeism	—	2.45 days	2.46 days	

* Calculation as of January 2025

- Statistics based on Kubota Corporation employees (cancer screening rate based on membership of Kubota Health Insurance Society)
- Presenteeism: Calculated from questionnaire survey of employees in expert and staff positions using Single-Item Presenteeism Question (SPQ, University of Tokyo, single-item version)
- Absenteeism: Calculated from questionnaire survey of employees in expert and staff positions on number of days of absence in the previous fiscal year due to employee's own illness or injury

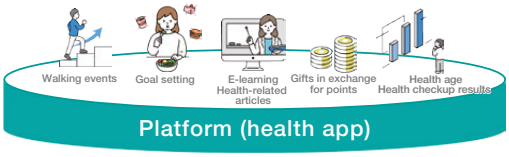
Health-Related Education and Awareness-Raising

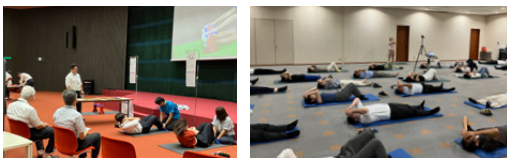
The Kubota Group works with the Kubota Health Insurance Society in a “collaborative health” system to provide educational and awareness-raising activities related to employee health.

Implementation of Health-Promoting Activities

To support employees in independent health promotion, the Kubota Health Insurance Society introduced a health app in 2022. Creating a system that enables employees to check their health status at any time provides an opportunity to reconsider their own lifestyle. Additionally, the health app is the platform for a range of health-promoting activities implemented under the title Kubota Health Challenge, whereby employees are incentivized to take part in healthy initiatives, including walking events and keeping a record of body weight, body fat, blood pressure, and other measurements, through the awarding of points that can be exchanged for gifts. In this way, we aim to improve employees’ health literacy and support them to change their behavior.

As part of a collaborative project with the Kubota Health Insurance Society, each workplace, led by appointed committee members at those locations, conducts health promotion activities, known as “Health Kubota 21” activities.





▲Workplace events (Left: physical fitness and InBody measurement. Right: Health Promotion Seminar: Getting a Good Night’s Sleep.)

Enhancement of Rank-Based Education

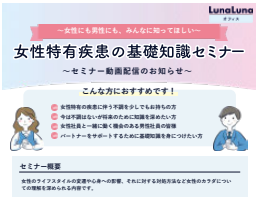
We are focusing efforts on enhancing rank-based educational opportunities, for instance by offering specific health-related education to new recruits and young employees and to newly promoted managers.

In 2023, we launched health seminars, known as Wellness Seminars, targeted by age group according to their different health issues. These will be rolled out successively across the Kubota Group with the aim of improving health literacy, which means employees learning to manage their own health.

Action on Women’s Health Issues

To improve employees’ understanding of health issues specific to women (e.g. menstrual and menopausal symptoms), we have enhanced educational support by setting up a women’s health counseling contact and distributing e-learning and video content. We have additionally established an in-house portal site as an integrated source for women’s health information. We started holding the new “Women’s Health Seminars” in 2024, and with the aim of promoting employee understanding, have introduced video content on a Company-wide basis that is accessible to all employees regardless of gender.

In the area of specifically female cancers such as cervical and breast cancer, we are taking steps to improve the screening rate. These include workplace screening using a mobile screening unit, holding of online seminars, and the distribution of awareness-raising videos.



Support for Quitting Smoking

Our range of related programs includes smoking cessation clinics at the medical center of each of our business sites and referral to online smoking cessation courses for which the employee is not responsible for payment. We also distribute information on quitting smoking, hold a No Smoking Day at each business site, and have launched a smoking cessation chat space as part of active measures to support employees to quit smoking.

▲Publicity poster for an online smoking cessation course

Support for Initiatives on Health and Productivity Management in the Supply Chain

To strengthen the supply chain as a whole and ensure sustainability, we are expanding our health management activities beyond the Kubota Group and promoting initiatives designed to contribute to the health of individuals across the entire supply chain. Some of our efforts in this respect include the establishment of services for business partners and the holding of health management study sessions.

Action on Infectious Diseases and Other Global Health Issues

As the Kubota Group continues its overseas business expansion towards its vision as a Global Major Brand (GMB), it is essential to provide support to the yearly increasing number of staff on overseas posting. So that employees can maintain their usual level of performance even when posted overseas, we believe that health management, including for accompanying family members, is important. We have therefore established a partnership with a specialist international medical treatment service to put in place a medical support and consultation system available around the clock every day of the year to provide services locally such as routine medical consultation and treatment and emergency medical treatment and transport. In addition to conducting health-related interviews with employees prior to their posting, we provide health checkups, including cancer screening tests, to staff on overseas postings and their accompanying family members. We also recommend short visits to Japan for health checkups, with subsidies provided when the country in which the employee works lacks sufficient medical care. Additionally, we focus on supporting the mental and physical health of our employees by conducting fatigue checks and offering consultations with medical professionals to those who are highly fatigued.

Based on the belief that knowledge is the best way to prevent the spread of infectious diseases such as HIV (AIDS), tuberculosis, and malaria, we are focusing our efforts on education and raising awareness. This includes providing video content on the internal portal site for employees to view before they are assigned to their new posts.

External Evaluation

In recognition of its initiatives to date toward realizing health and productivity management, Kubota, in similar fashion to 2024, received certification from the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi as an Outstanding Organization of KENKO Investment for Health in 2025 (large-scale corporate section). Going forward, we will continue with efforts to promote health across the Kubota Group so that each employee can work in a positive and motivating environment to develop their abilities and their strengths as an individual.

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

Human Resource Database

Employee Numbers and Breakdown

	2022	2023	2024
No. of employees (Kubota Corporation)	12,474	14,638	15,472
Male	11,159	13,064	13,760
Female	1,315	1,574	1,712
No. of employees (consolidated)	50,352	52,608	52,094
Male	43,427	45,117	45,143
Female	6,925	7,491	6,951

Staff Turnover Rate

	2021	2022	2023	2024
Turnover rate: All employees	1.55%	1.26%	1.65%	1.64%
Male	1.47%	1.13%	1.54%	1.56%
Female	2.23%	2.35%	2.50%	2.23%
Management positions	1.17%	1.43%	1.62%	1.35%
Staff positions	1.68%	1.20%	1.66%	1.72%
Rate of voluntary retirement (retirement for personal reasons): All employees	1.02%	0.88%	1.24%	1.29%
Male	0.94%	0.73%	1.11%	1.21%
Female	1.74%	2.05%	2.31%	1.87%
Managerial	0.17%	0.37%	0.64%	0.78%
Non-managerial	1.31%	1.04%	1.42%	1.44%

* Rate of job separation (excluding statutory age retirement and pre-arranged early retirement)

Training Hours and Training Expenses per Employee

	2022	2023	2024
Total training hours (yearly)	488,502	522,377	663,684
Average training hours	40	37	45
Yearly training expenses	161,000 yen	166,000 yen	171,000 yen

* Training hours are calculated by adding (1) training hours for high school graduate trainees in January and February, and (2) manufacturing training for technical new recruits from FY2024. (Omitted when calculating past education hours)

Salary by Type of Employment and by Gender

Salary difference between male and female workers

All workers	Full-time workers	Temporary, part-time and agency workers
84.1%	83.7%	78.4%

* Women's salary shown as a percentage of men's.

[Explanation of salary difference between male and female workers']

(1) For full-time workers, there is a unitary seniority and salary structure and therefore no salary differential between male and female employees of the same seniority grade. The salary difference between males and females arises because there is a higher proportion of males than females at management positions and because of the difference in age distribution between men and women, particularly in manufacturing departments, where a higher proportion of women are in the under 30 age group.

(2) For part-time, temporary, and agency workers, there is no regulatory gender differential and the difference arises due to the inclusion of special contract workers, who have higher salary levels and among whom there is a higher proportion of males.

Reference material no. 1: Women in management roles

Proportion of women occupying management roles	Proportion of management roles occupied by women
9.1%	4.5%

Reference material no. 2: Age structure of employees

	Workers employed in manufacturing departments		All full-time workers
	Female	All	
Under 30 years	38.7%	24.7%	20.8%
30-39 years	16.6%	23.9%	27.6%
40-49 years	24.0%	29.7%	26.5%
50 years or above	20.8%	21.7%	25.0%
Total	100%	100%	100%

Salary difference for positions between management and staff

Management position	Staff position
12,644,364 yen	7,229,498 yen

Occupational Health and Safety

Basic Approach

Customer satisfaction cannot be accomplished without employee satisfaction. The Kubota Group promotes the creation of comfortable and motivated workplaces where its employees can not only work safely and securely but also feel pride and joy in their work.

In terms of safety, we are creating workplaces that eliminate “unacceptable risks” through risk assessment activities in Japan and overseas.

Promoting a Safer Workplace

To build safe workplaces, we ensure everybody involved in our business follows “Safety is our First Priority” behavior based on the Kubota Group Basic Policies on Safety and Health, established in April 2013.

In addition, three specific instructions to ensure the “Safety is our First Priority” philosophy were announced by the President.

The Kubota Group’s mid-term plan sets out a variety of strategies aiming to achieve a goal of Zero “Class A Accidents”*, centered on promoting inherently safe equipment, ensuring safe operations, and enhancing human resources development to support safety.

* A Class A accident is one that can lead to a serious accident, such as crushing or entanglement in machinery, due to one of the following causes:
1) Contact, etc. with high-heat object, 2) Contact, etc. with heavy load, 3) Entrapment and entanglement by machines, 4) Fall from heights, 5) Contact, etc. and the like with forklift / vehicle, 6) Toppling of or contact with agricultural machines, construction machines or other vehicles (products), 7) Electric shock, 8) Contact with flying / falling object, 9) Contact with hazardous materials, Acute poisoning (including lack of oxygen, etc.), 10) Occupational accident caused by explosion or fire, or 11) Collapse of natural ground and inflow of earth and sand during construction

The Kubota Group Basic Policies on Safety and Health

“In the KUBOTA Group, there is no work to be carried out without serious consideration for safety and health.”
To achieve this, we established the fundamental principle that all the people involved in the business shall behave based on the philosophy that “Safety is our First Priority.”

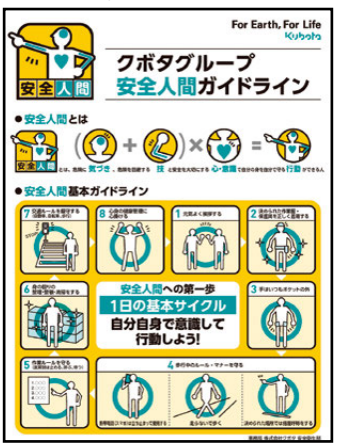
Safety is our First Priority

1. All the people involved in the business of the Kubota Group shall observe the determined rules and behave based on the philosophy “Safety is our First Priority,” to protect themselves from accidents.
2. Management executives shall operate the business keeping in mind the philosophy “Safety is our First Priority,” respect and listen to the voices of frontline worksites, and be reminded that “the worksite is a mirror that reflects yourself.”
3. Management-level employees shall identify any risk that may lead to a serious accident and take faithful action to address such risk, while endeavoring to create a corporate culture that allows straightforward talk about safety and to develop human resources that support safety.

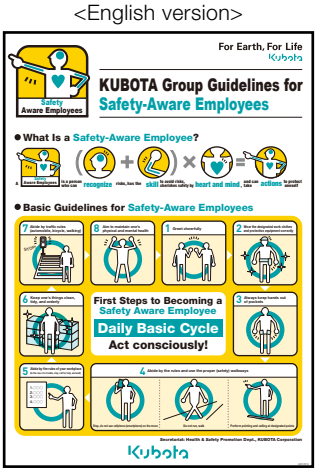
Basic Guidelines for Safety-Aware Employees

We established Basic Guidelines for Safety-Aware Employees to ensure all Kubota Group employees comply with established rules based on “Safety is our First Priority.”

<Japanese version>



<English version>



<Chinese version>

Mid-Term Plan Targets and Major Initiatives

Under our mid-term plan, which ends in FY2027, we are implementing the following key initiatives.

Target: Zero “Class A Accidents”

<Major initiatives>

1. Raising the level of risk assessment activities

(1) Consistently implementing machinery risk assessments when new equipment is installed or when equipment is modified.

(2) Identifying risks, with “hazard identification*1” and “human behavior, including reasonably foreseeable misuse*2” embedded in the process.

*1 Checking sites for hazards using illustrated lists of similar issues.
*2 Expected unsafe behavior, including spur-of-the-moment actions and shortcut behaviors.

2. Risk reduction activities that prioritize equipment measures

(1) Reducing risk by installing equipment with inherently safe designs and fitting guards and protective devices, in line with the three-step safety model*.

* A risk reduction method with three steps: (1) Use equipment with inherently safe designs, (2) employ safeguardings and complementary protective measures, and (3) provide information for use.

(2) Compiling specific examples of risk reduction in the Safety Control Guidelines* for assessment and promotion of inherently safe equipment

* Guidelines that categorize various types of equipment according to their level of safety.

3. Risk reduction activities through safe work practices

(1) Standardizing safe work practices to address risks that cannot be reduced through equipment measures. Supervisors check work on a daily basis to ensure operations are performed in line with the standards.

(2) Preventing the recurrence of any abnormalities by rigorously enforcing the “Stop, Call and Wait.” safety approach.

4. Enhancing personnel development to support safety

(1) Maintaining a staffing structure that can support safety controls and management systems.

(2) Systematically cultivating human resources for (1) above.

5. Maintaining and improving a safe and healthy working environment

(1) Developing and implementing noise-reduction plans for manufacturing sites

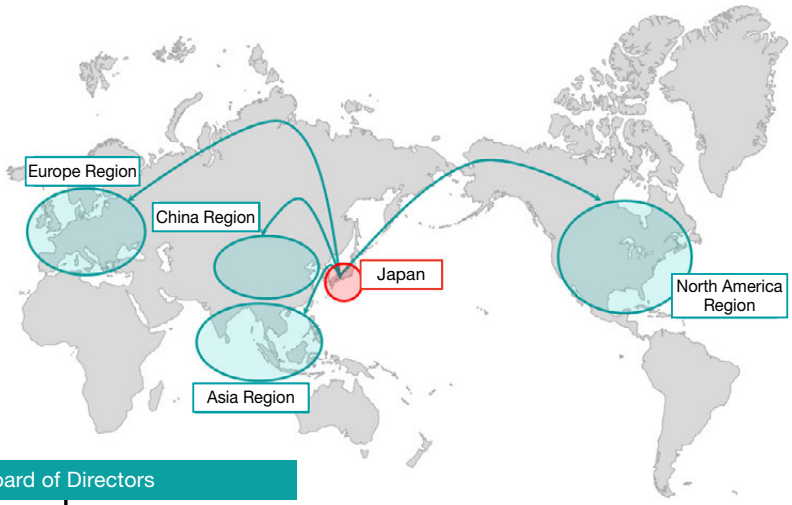
(2) Responding to revisions to chemical substance laws

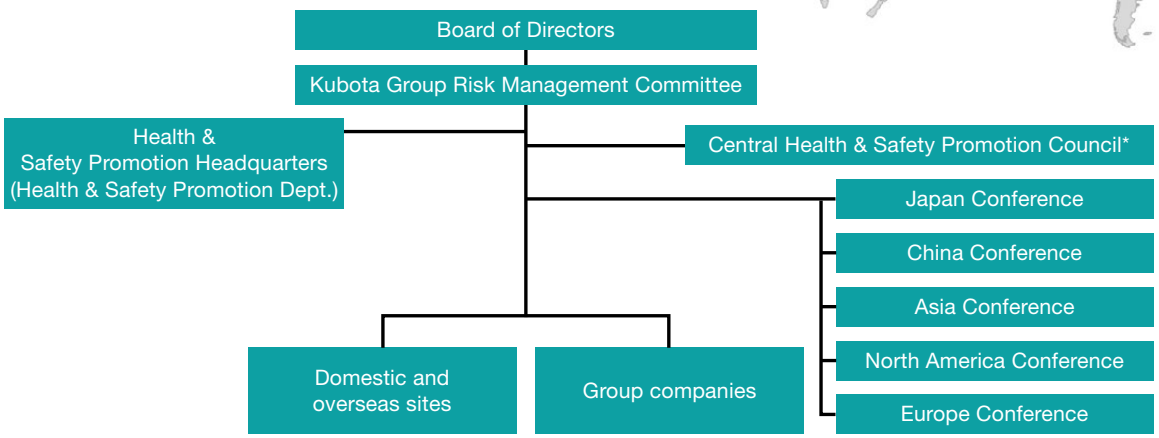
Health and Safety Promotion System

To achieve the goals in our mid-term plan, we are promoting health and safety activities globally at our domestic and overseas sites by implementing health and safety policies and various safety standards developed by the Head Office and the Health & Safety Promotion Dept.

Domestic sites promote health and safety activities together with site managers and departments responsible for health and safety.

Overseas sites promote voluntary health and safety activities in each region in cooperation with the Head Office, the Health & Safety Promotion Dept. and each overseas region.





* Discusses mid-term plans, annual guidelines and various health and safety activities with input from senior labor and management officials involved in health and safety.

Status of Initiatives in FY2024

In FY2024, the entire Kubota Group, including overseas companies, implemented the following initiatives.

1. Risk identification activities

Activities that focus on confirming points of contact between identified hazard sources and operation as well as human.

We designated one day during Japan's National Safety Week as "Kubota Group's Safety Day." On this day, production plans are adjusted to allow all employees to take part in safety activities.

As a part of the activities to eliminate Class A accidents identified in the mid-term plan, themes were set and implemented by business site in 2024.

2. Implementing measures based on the Safety Control Guidelines for assessment and promotion of inherently safe equipment

For existing equipment, we prioritized equipment measures to reduce identified risks. For new equipment, we conducted machinery risk assessments to introduce equipment with minimal residual risk.

3. Standardization of safe work practices

For operations with risk that cannot be reduced to acceptable levels through equipment measures, we standardized safe work practices, conducted education and training, and supervisors performed daily checks and provided instructions. In standardizing work practices, we are advancing initiatives with a greater awareness toward translation of tacit knowledge to explict knowledge*.

* To quantify what has been done based on such factors as experience and intuition and to express text, illustrations, and videos, etc. in a manner that can be easily replicated.

4. Initiatives to help build a "Stop, call and wait" culture

All work sites engage in "Stop. Call. Wait." safety approach activities in the event of troubles to eliminate accidents without stopping. They also worked to prevent the recurrence of troubles and trained human resources to handle them.

5. Maintaining and improving working environments

We are complying with chemical substance regulations that are scheduled to be progressively revised in Japan.

The Kubota Group Safety and Health Target for FY2025

Kubota has clearly set the target below for FY2025, and is promoting Company-wide efforts to create safe workplaces.

Target: Zero "Class A Accidents"

[Priority implementation issues]

◆Plant and R&D departments

1. Risk identification
   - (1) Upgrading of the operational level of machinery risk assessment for newly modified equipment
   - (2) Upgrading of the operational level of work operations risk assessment
   - (3) Identifying and addressing risks related to work carried out while operating machinery
   - (4) Taking KY (hazard prediction) steps before performing non-routine or irregular operations
2. Accident prevention involving equipment
   - (1) Implementation of measures based on the Safety Control Guidelines for assessment and promotion of inherently safe equipment
   - (2) Start of lockout system rollout Group-wide
3. Promotion of safe work operations
   Thorough work management of unacceptable Class A risks
4. Developing safety-aware employees
   Building a culture of compliance through shared awareness of the Basic Guidelines for Safety-Aware Employees
5. Promotion of sanitary management
   Adaptation to chemical substance regulation
6. Maintenance of the safety management system
   Implementing the "Health & Safety edition" of the guidelines based on ISO 45001 at select Kubota Group business sites

◆Construction departments

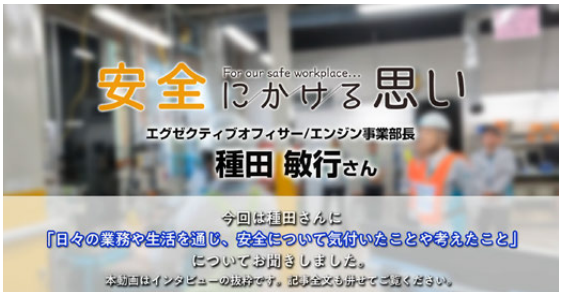
1. Developing Safety-Aware Employees
   - (1) Enhancing the abilities of project directors
   - (2) Improving safety and health awareness of related contractors
   - (3) Site-led identification of onsite issues and implementation of measures
   - (4) Institution of safe behavior
2. Promoting safe operations
   - (1) Site-led prior identification of risks
   - (2) Reduction of Class A accident risk by project directors
   - (3) Revitalization of Class A inquiry hazard prevention (KY) activities by related contractors
   - (4) Completion of work procedure manual for regular processes by operation and maintenance site directors
   - (5) Horizontal rollout of measures to prevent recurrence
3. Promoting inherently safe equipment
   - (1) Implementing measures to prevent entrapment or entanglement in moving parts of machines or equipment
   - (2) Promotion of the inspection of opening covers and scaffolding at sites
   - (3) Identification of hazards by operation and maintenance site directors
4. Promoting sanitary management
   - (1) Preventing exposure to chemical substances
   - (2) Consistent implementation of measures to prevent heat stroke
5. Promoting environmental management
   - (1) Confirmation of compliance with the requirements of environmental laws and regulations at sites subject to environmental management
   - (2) Management of wastewater from construction work, etc.

Safety Training and Awareness

We provide safety education through messages issued by management and our workplace management and through a range of conferences.

1. Distribution of awareness-raising messages

Messages from management (executive officers) and workplace management (foremen/project directors) around the themes of the Kubota Group Approach to Safety and Safety-Aware Employees were distributed via the company intranet to promote safety awareness throughout the organization.



Title image for management video message

Title image for workplace management video message

2. Safety and Health Convention

The convention featured video presentations of case studies, including interviews with key personnel involved in safety activities at each site conducted beforehand, as well as a discussion between safety managers at overseas sites, the President and the General Manager of the Health and Safety Promotion Headquarters, which was held on the stage in the main hall at Head Office. There was also a lecture by an outside instructor to further raise the level of health and safety activities. (Streamed live to all sites; archived for viewing later)

Health and safety convention

Discussion between the safety manager of an overseas site (Germany), the President and General Manager of the Health & Safety Promotion Headquarters

3. Safety education initiatives

Health and safety education, particularly for new employees but also for personnel of all ranks, was conducted online or in group format, depending on training content. We devised new learning methods, such as group work using tools that enable joint editing in real time.

Health and safety training for newly appointed supervisors

Health and safety training for construction project directors

Implementation Outcomes of Safety Training Programs

Manufacturing Departments

Name of education program	No. of times held	Total participants
Training for new employees	10	564
Elementary training (for young employees)	11	316
Semi-intermediate training	3	148
Training for newly appointed group leaders	5	132
Intermediate training (for mid-level employees)	2	89
Training for newly appointed supervisors	4	56
Training for newly appointed foremen	1	19

Other than Manufacturing Departments

Name of education program	No. of times held	Total participants
Training for new employees	3	333
Safety and health education for mid-career entrants at the time of employment	12	335
Machinery safety education training	4	53
Training for newly promoted managers	10	255
Training for newly appointed section managers	7	145
Training for newly appointed department managers	2	74
Education for officers (Safety and Health Convention)	1	37

Occupational Health and Safety Management System Certification

To ensure safety for employees and provide them with a workplace environment that allows them to feel safe concentrating on their duties, Kubota has acquired ISO 45001 certification for its business sites below, while establishing an occupational health and safety management system focusing mainly on risk assessment for other sites. (Certified companies and business sites as of Dec. 31, 2024)

Kubota

Tsukuba Plant	ISO 45001 certification acquired in Nov. 2020 (OHSAS 18001 certification acquired in Dec. 2000)
Keiyo Plant	ISO 45001 certification acquired in Nov. 2018 (OHSAS 18001 certification acquired in Dec. 2002)
Ichikawa Plant	ISO 45001 certification acquired in Nov. 2018 (OHSAS 18001 certification acquired in Dec. 2002)
Hanshin Plant (Mukogawa)	ISO 45001 certification acquired in Oct. 2020 (OHSAS 18001 certification acquired in Nov. 2003)
Hanshin Plant (Amagasaki)	ISO 45001 certification acquired in Oct. 2020 (OHSAS 18001 certification acquired in Apr. 2005)
Hirakata Plant	ISO 45001 certification acquired in Apr. 2019 (OHSAS 18001 certification acquired in Jun. 2007)

Domestic Group companies

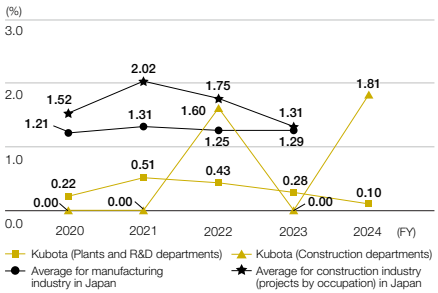
Kubota Construction Co., Ltd.	ISO 45001 certification acquired in Dec. 2020
Kubota Kasui Corporation	ISO 45001 certification acquired in Dec. 2020

Overseas Group companies

Kubota Materials Canada Corporation	ISO 45001 certification acquired in Feb. 2021 (OHSAS 18001 certification acquired in Aug. 2012)
Siam Kubota Corporation Co., Ltd.	ISO 45001 certification acquired in Sep. 2019 (OHSAS 18001 certification acquired in Jan.-Feb. 2014)
Kubota Baumaschinen GmbH	ISO 45001 certification acquired in Jun. 2019 (OHSAS 18001 certification acquired in Jul. 2014)
Siam Kubota Metal Technology Co., Ltd.	ISO 45001 certification acquired in Nov. 2019 (OHSAS 18001 certification acquired in Dec. 2014)
Kubota Engine (Thailand) Co., Ltd.	ISO 45001 certification acquired in Jul. 2019 (OHSAS 18001 certification acquired in Jul. 2015)
Kubota Farm Machinery Europe S.A.S	ISO 45001 certification acquired in Oct. 2021 (OHSAS 18001 certification acquired in Feb. 2017)
Kubota Pump (Anhui) Co., Ltd.	ISO 45001 certification acquired in Jun. 2019
Kubota Construction Machinery (Wuxi) Co., Ltd.	ISO 45001 certification acquired in Nov. 2019
Kubota Engine (Wuxi) Co., Ltd.	ISO 45001 certification acquired in Nov. 2019
Kubota Saudi Arabia Company, LLC	ISO 45001 certification acquired in Jan. 2020
Kubota (U.K.) Ltd.	ISO 45001 certification acquired in Oct. 2022
Kverneland AS Ravenna	ISO 45001 certification acquired in Aug. 2023

Lost Time Incident Rate/Injury Severity Rate/Work-related Fatalities

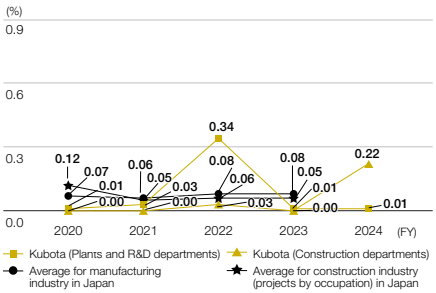
Lost Time Incident Rate (Kubota Corporation)



<Lost time incident rate>
Work-related deaths and injuries requiring work absence ÷ total personnel hours x 1,000,000

* Average data of FY2024 had not been published till the date of the edit completion.

Injury Severity Rate (Kubota Corporation)



<Injury Severity Rate>
Number of workdays lost ÷ total personnel hours × 1,000

* Average data of FY2024 had not been published till the date of the edit completion.

Number of work-related fatalities (Kubota Corporation)

2024: 0

Chapter

5

Governance

In order to speed up its response to management conditions and increase transparency in its management, Kubota has been committed to enhancing its corporate governance structure. Moreover, by building a risk management system and an internal control system and implementing steady yet continuous improvements during its business activities to increase its corporate value, Kubota not only enforces the observance of laws and regulations, but also reduces business continuity risks.

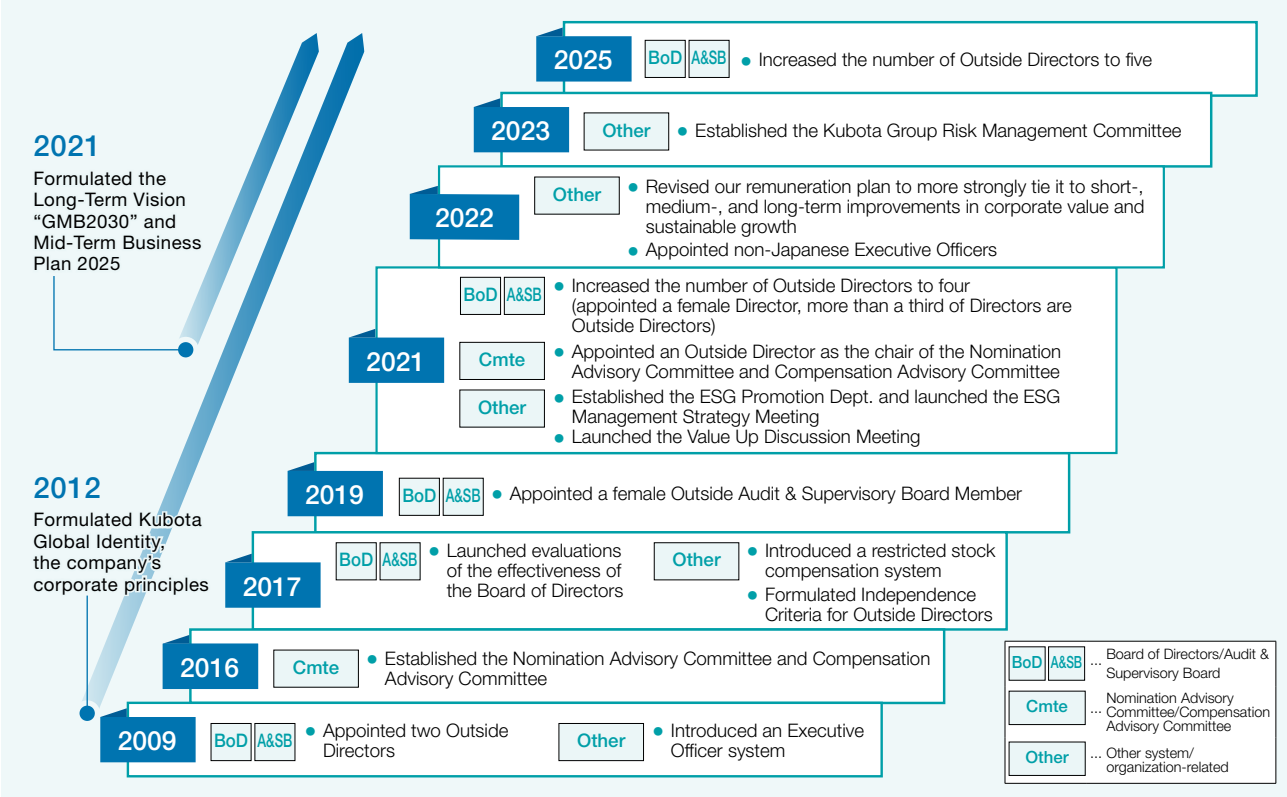
<SDGs related to this section>

Corporate Governance

Basic Policy of Corporate Governance

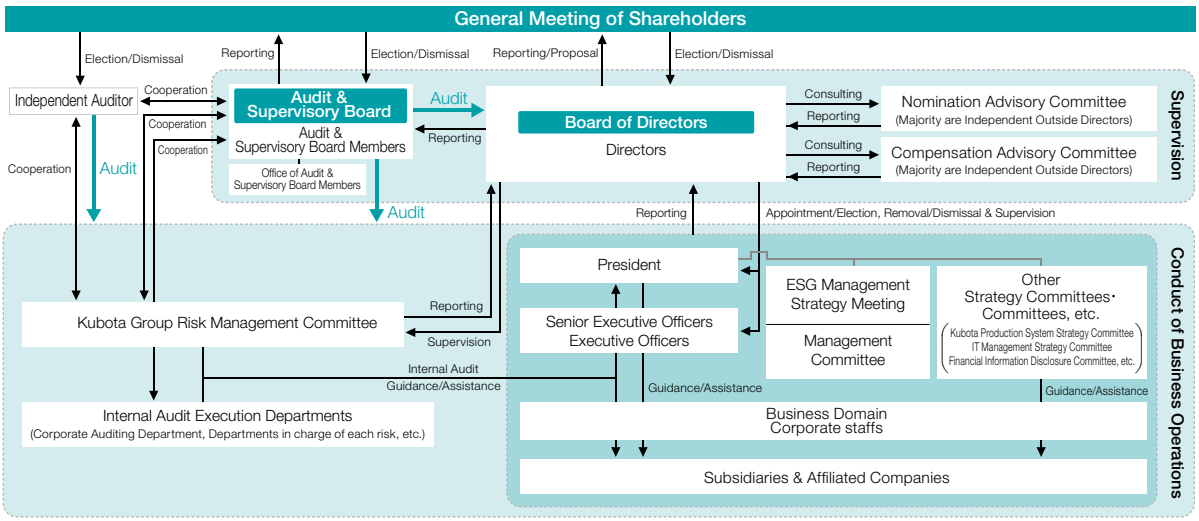
Kubota Corporation ("the Company") has designated "long-term and stable growth of corporate value" as its highest management priority. To realize this aim, the Company considers enhancement of the satisfaction of all the Company's stakeholders and improvement of overall corporate value, while balancing economic value and social value, to be important. Especially, in order to realize the long-term objectives of building "Global Major Brand Kubota" on the basis of its corporate philosophy "Kubota Global Identity," the Company must be an enterprise that is trusted not just in Japan but also worldwide. In order to enhance the soundness, efficiency, and transparency of business management, which are essential to earn trust, the Company is striving to strengthen its corporate governance.

How we strengthen corporate governance



Corporate Governance System

Corporate Governance Structures (as of January 1, 2025)



Policy of Organization Structure

The Company is fundamentally a company with an Audit & Supervisory Board but also has a voluntary Nomination Advisory Committee and Compensation Advisory Committee. The Company has a wide range of business domains that include the areas of food, water, and the environment. Considering the scope of these domains, the Company believes it correct to employ a governance structure in which the Board of Directors makes decisions on major fundamental management policies, based on the perspectives of inside directors with in-depth experience and knowledge in particular areas of the Company's businesses as well as the objective viewpoints and broad knowledge of outside directors, while also supervising and overseeing executive officers' conduct of business. As part of this structure, meanwhile, Audit & Supervisory Board members, who are legally independent from the Board of Directors, provide a monitoring function through highly effective, independent auditing. By having the voluntary Nomination Advisory Committee and Compensation Advisory Committee, where the majority of members are outside directors, the Company aims to increase its corporate value in the medium to long term while securing objectivity and transparency on matters regarding personnel and remuneration of officers, etc., and attaining sustainable growth and sound, efficient, and effective business management.

Kubota's attitude to governance is summarized and disclosed via the Corporate Governance Policy.

Corporate Governance Policy Click

Board of Directors

The Board of Directors makes strategic decisions and oversees the execution of duties by directors and executive officers. In addition to its regular monthly board meetings, it also meets as and when needed to discuss and make decisions relating to management planning, financial planning, investment, business restructuring, governance, and other important management issues. In fiscal 2024, it met 13 times, in line with the annual agenda determined by its discussions. In principle, once a year the Board of Directors meets at a strategically important site inside or outside Japan. The board also visits local sites and work is underway to enhance its deliberations.

In fiscal 2024, the main topics of discussion by the Board of Directors, in addition to those set by laws or regulations, were as detailed below.

Topics of Discussion by the Board of Directors

Management planning	Management structure and policy
Investment and business reorganization	Business planning, capital expenditure plans, and other important matters related to investment and business reorganization
Governance	Board of Directors effectiveness evaluations, risk management, personnel affairs for directors and members of the Audit & Supervisory Board, personnel affairs for executive officers, and executive remuneration

Audit & Supervisory Board

The Audit & Supervisory Board oversees and audits the execution of duties by the directors. In addition to its regular monthly Audit & Supervisory Board meetings, it also meets as and when needed. In fiscal 2024, it met 16 times. The main matters considered by the Audit & Supervisory Board are debates based on findings from business site inspections inside and outside Japan, the status of the design and operation of internal control systems, as well as the effectiveness of independent auditors and decisions on whether or not to reappoint them. Its main activities were as detailed below.

Activities by the Audit & Supervisory Board

Attendance to important meetings	Verification of management decision-making processes, status of the internal control environment, and status of initiatives aimed at addressing management issues via attendance at the Board of Directors and the Management Committee
Audits by Audit & Supervisory Board Members	Site visits to business sites, plants, subsidiaries, etc. (7 sites in Japan, 5 subsidiaries/equity-method affiliates in Japan, and 37 overseas subsidiaries)
	Inspection of key documents such as minutes from important meetings
Cooperation, etc., with independent auditors	Exchange of opinions on key audit matters (KAM)
	Inspection of audit results, etc., at periodic reporting meetings
Cooperation with internal audit execution departments, etc.	Verification of the status of internal controls through information sharing with auditors, internal audit execution departments, and others at Japanese subsidiaries
Exchange of opinions with Directors	Exchange of opinions with the president (four times a year)
	Hearings for business progress from Directors, etc.

Value Up Discussion Meeting

The Company regularly holds Value Up Discussion Meetings (elsewhere shortened to "VUDMs") to provide members of the Board of Directors with opportunities to discuss topics bringing about sustainable growth and increasing corporate value in the medium and long term. The purpose of the meeting is to exchange opinions and share information, and the content of discussions are communicated to the executive as necessary.

The VUDM was held 10 times in fiscal 2024. The Board of Directors set the annual agenda of the VUDM based on the discussions in fiscal 2023 on the ideal vision for the Board of Directors and the evaluation results of the effectiveness of the Board of Directors, and discussed mainly on the topics listed in the table below. Specifically, active discussions were held on medium- and long-term themes, such as management structure reform, business strategy, financial strategy, and human capital reinforcement, to realize the Long-Term Vision "GMB2030." In particular, multiple VUDMs were held to discuss management structure reform with the project team members directly under the president, followed by discussion at the Nomination Advisory Committee and Board of Directors, leading to the management structure being in place from January 2025.

Theme	Main discussion areas
Management strategy	Management structure reform, progress of the Mid-Term Business Plan
Business strategy	Strategies for Farm & Industrial Machinery business, India business, Water & Environment business, and water circulation and resource circulation business
Financial strategy	Financial targets for the upcoming Mid-Term Business Plan
Human capital	Human capital reinforcement

Nomination Advisory Committee and Compensation Advisory Committee

The Company has a voluntary Nomination Advisory Committee and Compensation Advisory Committee in place as the advisory bodies of the Board of Directors. To incorporate an independent and objective standpoint, independent outside directors account for more than half of constituent members of both committees, and an independent outside director serves as chairperson of the committees.

Members (as of March 21, 2025)

Position	Name	Attendance in FY2024	Nomination Advisory Committee	Compensation Advisory Committee
Outside Director	Yutaro Shintaku	100%	● (Chair)	● (Chair)
Outside Director	Kumi Arakane	100%	●	●
Outside Director	Koichi Kawana	100%	●	●
Outside Director	Yuri Furusawa	—*1	●	●
Outside Director	Yoshinori Yamashita	—*1	●	●
President and Representative Director	Yuichi Kitao	100%	●	
Representative Director and Executive Vice President	Shingo Hanada	100%*2	●	●
Director	Masato Yoshikawa	100%		●
Outside Audit & Supervisory Board Member	Yuichi Yamada	89%		▲ (As an observer)

*1 Appointed on March 21, 2025
*2 Appointed as a member of the Nomination Advisory Committee on March 21, 2025 (figures are for attendance at meetings of the Compensation Advisory Committee)

Nomination Advisory Committee

The Nomination Advisory Committee met seven times during fiscal 2024 for the purpose of deliberating the nomination of candidates for director and the nomination of advisors. The committee is also looking at the composition and diversity of the Board of Directors using the skills matrix.

Starting in fiscal 2022, the committee added matters related to electing as well as dismissing a president along with succession planning to its agenda and actively discusses the qualities and abilities required of the Company's top management in addition to training methods.

Activity Report of the Nomination Advisory Committee

January 2024	Deliberation on the candidates for directors, and the president evaluation for fiscal 2023
March 2024	Deliberation on the annual agenda for Nomination Advisory Committee for fiscal 2024, the president's targets set for fiscal 2024, and the board succession
April 2024	Deliberation on the board succession
August 2024	Deliberation on the board succession and the status of the top executives' succession planning Progress report on the president's targets for fiscal 2024
September 2024	Deliberation on the board succession and the status of succession plan review for the top executives
October 2024	Deliberation on the candidates for directors
November 2024	Deliberation on the board succession

Compensation Advisory Committee

The Compensation Advisory Committee met nine times during fiscal 2024 for the purpose of discussing both the consistency of levels of compensation paid to the directors, executive officers, special corporate advisors, and advisors, and the adequacy of the compensation system. Under the current compensation system, the committee set competitive remuneration levels appropriate for a GMB, and introduced an evaluation system that is strongly linked to growth over the short, medium and long term in order to realize the Company's Long-Term Vision as set forth in "GMB2030."

Activity Report of the Compensation Advisory Committee

February 2024	Deliberation on the annual bonuses for fiscal 2023, and setting targets for each of the evaluation indicators for fiscal 2024
March 2024 (held twice)	Deliberation on the disclosure items, and setting targets for each of the evaluation indicators for fiscal 2024
April 2024	Deliberation on setting targets for the evaluation indicators for the performance share unit
July 2024	Deliberation on issues in the current remuneration plan and future topics of study
August 2024	Deliberation on the study for the formulation of a new remuneration plan
October 2024	Selection of comparable companies for compensation benchmarks, and deliberation on the study for the formulation of a new remuneration plan
November 2024	Deliberation on the study for the formulation of a new remuneration plan
December 2024	Deliberation on the policy for determination of remuneration for the Directors and the remuneration amount for fiscal 2025

ESG Management Strategy Meeting and Management Committee

The Company has established the ESG Management Strategy Meeting and the Management Committee to make decisions and deliberate on specific important issues. The ESG Management Strategy Meeting formulates policies and evaluates major measures for the realization of the Long-Term Vision of the Company, "GMB2030," and the creation of medium- to long-term corporate value. The Management Committee deliberates and makes decisions on important management issues, such as investments and loans, in accordance with the Mid-Term Business Plan 2025. Of the management issues deliberated by the Management Committee, important issues are reported to the Board of Directors.

Composition of the Board of Directors and the Audit & Supervisory Board

The Company configures its Board of Directors from the perspectives of maintaining the number of members appropriate for ensuring effective discussions at the meetings of the Board of Directors, manifesting its function as a board of directors and ensuring its diversity and maintaining soundness and transparency in management. The Company also considers that the Board of Directors requires skills in areas such as Kubota Production System (KPS), global management, innovation, R&D, digital transformation (DX), and ESG management as the business foundations to be strengthened in order to realize Long-Term Vision "GMB2030." It is important for members of the Board of Directors to complement each other by using their knowledge, experience, and skills, based on diverse values. Shown below is how skills required to realize the Company's Long-Term Vision "GMB2030" correspond to their specialties and experience.

Skills Matrix

Name	Position	Areas of expectation / Specialization								Experience of management at other companies	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit & Supervisory Board
		Priority items related to Long-Term Vision "GMB2030"						Fundamental items for management				
		KPS (Manufacturing)/ Quality control	Global Management	Innovations/ R&D/DX	E: Resolution of environmental issues	S: Contributing to society/Empathy and participation of stakeholders	G: Building Governance	Finance/ Accounting	Legal affairs/ Compliance			
Yuichi Kitao	President and Representative Director		●	●		●					100% (13 of 13)	—
Shingo Hanada	Representative Director and Executive Vice President		●		●	●					100% (13 of 13)	—
Hiroto Kimura	Director and Senior Managing Executive Officer	●		●	●						100% (13 of 13)	—
Masato Yoshikawa	Director		●				●	●			100% (13 of 13)	—
Dai Watanabe	Director		●	●	●						100% (13 of 13)	—
Eiji Yoshioka	Director	●	●		●						100% (13 of 13)	—
Yutaro Shintaku	Outside Director		●			●		●		●	100% (13 of 13)	—
Kumi Arakane	Outside Director	●		●		●				●	100% (13 of 13)	—
Koichi Kawana	Outside Director		●		●		●			●	100% (13 of 13)	—
Yuri Furusawa	Outside Director					●	●		●		100% (13 of 13)	100% (16 of 16)
Yoshinori Yamashita	Outside Director		●	●			●			●	—	—
Yasuhiko Hiyama	Audit & Supervisory Board Member (Full-time)		●					●	●		100% (13 of 13)	100% (16 of 16)
Masashi Tsunematsu	Audit & Supervisory Board Member (Full-time)				●			●	●		100% (13 of 13)	100% (16 of 16)
Kazushi Ito	Audit & Supervisory Board Member (Full-time)						●	●	●		100% (10 of 10)	100% (12 of 12)
Yuichi Yamada	Outside Audit & Supervisory Board Member						●	●	●		92% (12 of 13)	100% (16 of 16)
Keijiro Kimura	Outside Audit & Supervisory Board Member		●				●		●		100% (13 of 13)	100% (16 of 16)
Setsuko Ino	Outside Audit & Supervisory Board Member		●	●				●		●	—	—

(Notes)
(1) In the list above, up to three of the major skills expected of each member of the Board of Directors are marked ●. These skills do not represent the entirety of the knowledge possessed by each member.
(2) Attendance at meetings of the Board of Directors and Audit & Supervisory Board held during fiscal 2024 (January 1 to December 31, 2024).
(3) Yoshinori Yamashita was appointed as an outside director and Setsuko Ino as an outside Audit & Supervisory Board member on March 21, 2025.
(4) Yuri Furusawa resigned as an outside Audit & Supervisory Board member and was appointed as an outside director on March 21, 2025. Her attendance at meetings of the Board of Directors and the Audit & Supervisory Board is as an outside Audit & Supervisory Board member.
(5) Attendance for Kazushi Ito is only for meetings of the Board of Directors and Audit & Supervisory Board held after his appointment on March 22, 2024.
(6) Executive Officers in charge of the relevant fields attend the meetings of the Board of Directors, depending on the agenda, to provide explanations on those agendas in order to improve the effectiveness of the board.

Directors and Audit & Supervisory Board Members

Selection policy for director candidates

In line with director regulations (selection criteria for candidates for the position of director), we appoint candidates as either directors or outside directors. The former, from within the Kubota Group, must have wide-ranging knowledge and a wealth of experience related to Kubota's business execution. For the latter, candidates must fulfill criteria for independent officers as set by the Tokyo Stock Exchange and independence criteria set by Kubota, and must possess practical, objective viewpoints and a high degree of knowledge. The aim of this selection policy is to ensure that Kubota—as a company involved in a wide range of business areas in the fields of food, water, and the environment—carries out appropriate decision-making and supervision of operations, and that the entire Kubota Group can grow sustainably and improve its corporate value.

Selection policy for Audit & Supervisory Board members

Candidates for appointment as Audit & Supervisory Board members must have the varied experience, knowledge, specialisms, and views needed for appropriate auditing and supervision. In terms of its membership, one member must have sufficient knowledge of finance and accounting, and more than half must fulfill criteria for independent officers as set by the Tokyo Stock Exchange and independence criteria set by Kubota.

Independence criteria for outside directors/Audit & Supervisory Board members, reasons for their selection, and roles expected of them

Independence Criteria and Reasons for the Selection, etc. Click

President Evaluation and Training a Successor

Evaluating the president

Evaluation of the president is carried out by the Nomination Advisory Committee under advice from the Board of Directors. The evaluation process is not just document-based, the president also attends the Nomination Advisory Committee, more than half of whose members are independent outside directors. As well as reporting on his achievements over the year, the president is evaluated based on two-way dialogue.

The financial indicators used to evaluate the president are consolidated net sales, consolidated operating margin, return on invested capital (ROIC) and total shareholder return (TSR). Non-financial indicators are Mid-Term Business Plan initiatives, training situation for the president successor candidates, and K-ESG management promotion-related efforts.

The content and results of deliberations by the Nomination Advisory Committee about the president evaluation are reported to the Board of Directors for their determination.

Training a successor (succession planning)

In fiscal 2022, president succession planning was formally added to the discussion agenda of the Nomination Advisory Committee, more than half of whose members are independent outside directors, and this subject is being actively deliberated.

For Kubota to be a Global Major Brand (GMB), candidates to take over as the next president require certain traits (capabilities, attributes, etc.). As well as clarifying these, we are working to identify president successor candidates.

Training potential successor candidates

Executive officers are potential president successor candidates. For individuals in these positions, the Executive Officers' Meeting is held once a month, where the Board of Directors' policies and resolutions are instructed or communicated, and the status of discussions at the VUDM is shared.

Moreover, Kubota holds multiple annual executive forums related to ESG, human rights, health and safety, the environment, quality, public relations, legal affairs, DX, compliance, etc. With the aim of acquiring and updating knowledge about our rapidly changing external environment, we invite external lecturers and we are continuing to hold these lectures, including using online streaming.

Evaluation of potential president successor candidates

Evaluation of the executive officers that are potential president successor candidates is decided by the Board of Directors, after discussion by the Compensation Advisory Committee about evaluation content, including the results of individual interviews with the president. These candidates are evaluated based on financial indicators as well as non-financial indicators such as Mid-Term Business Plan initiatives, the training situation for the president successor candidates, and K-ESG management promotion-related efforts.

Evaluation of the Board of Directors' Effectiveness

To continuously enhance our corporate governance, each year at the end of the fiscal year, we carry out an evaluation of the Board of Directors' effectiveness. The evaluation method used in fiscal 2024 and the results of the evaluation are detailed below.

1. Evaluation method

① Discussions by the Board of Directors (December 2024)

After deliberations by the Board of Directors that took into account the evaluation method and processes that were reviewed when the evaluation was conducted by a third party in fiscal 2022, the evaluation method and processes for fiscal 2024 were determined as follows in ② to ⑤.

② Questionnaire (December 2024 to January 2025)

All directors and Audit & Supervisory Board members (16 individuals) took part in a questionnaire overseen by a third-party organization.

③ Discussions between outside directors and Audit & Supervisory Board members (January 2025)

Based on the results of the questionnaire mentioned above, four outside directors and six members of the Audit & Supervisory Board discussed the effectiveness of the Board of Directors.

④ Discussions by inside directors (February 2025)

Based on the results of the questionnaire mentioned above and discussions by outside directors and members of the Audit & Supervisory Board, six outside directors discussed the effectiveness of the Board of Directors.

⑤ Discussions by the Board of Directors (February and March 2025)

At a meeting of the Board of Directors held in February 2025, the results of the evaluation were reported and the board discussed the issues that were identified and the direction of future initiatives. Taking its discussions in February into consideration, in March 2025 the Board of Directors determined action plans for fiscal 2025.

2. Evaluation results

Through this evaluation, it was determined that the Board of Directors demonstrated sufficient decision-making and supervisory functions, and that it was acting effectively. The findings are detailed below:

Structure:

- The outside directors and outside Audit & Supervisory Board members possess a high degree of specialism and a wide range of knowledge, and their new perspectives or things they have noticed about business execution result in animated questions and observations.
- The active contributions by the Audit & Supervisory Board members, who have a deep understanding of the business, help to perform the board's supervisory functions.
- Everyone who attends meetings of the Board of Directors has mutual respect for one another and discussions are constructive and based on diverse perspectives.

Operations:

- A board culture of free and open discussions has been fostered.
- Through VUDMs, there are discussions on themes that are important in the medium to long term.
- Discussions are carried out systematically in line with the annual agendas for the Board of Directors and VUDMs.

▷ For main issues identified by the effectiveness evaluation conducted in fiscal 2023, various measures have further raised the board's effectiveness.

Main issues in FY2023	Initiatives in FY2024
Coming up with and implementing annual discussion themes for the Board of Directors and VUDMs	Based on the themes identified in 2023, we formulated the annual agenda for the Board of Directors and VUDMs and implemented this.
Reviewing agenda criteria for the Board of Directors	To enhance the discussion of medium- and long-term strategies, the agenda criteria for the Board of Directors were reviewed.
Strengthening the functions of the Nomination Advisory Committee	Discussions continued into the composition of the Board of Directors and what personnel are required for directors.

3. Issues and action plans

The main issues identified during the fiscal 2024 effectiveness evaluation and action plans for fiscal 2025 are as follows.

Main issues in FY2024	Action plans for FY2025
Enhancing discussions on management strategies from medium- and long-term perspectives	Formulate and implement annual agenda for the Board of Directors and VUDMs as a step toward formulating the next Mid-Term Business Plan.
Reducing the difference in information held by inside and outside executive officers	Deepen understanding of the Kubota business model, etc., as a step toward enhancing strategy discussions by the Board of Directors and at VUDMs.
Strengthening the functions of the Nomination Advisory Committee	Continue and further deepen discussions related to the composition of the Board of Directors and the top executives' succession planning.

Executive Training

On their appointment, outside directors and outside Audit & Supervisory Board members receive explanations on topics such as Kubota's corporate principles, management strategies, and business portfolio. They are also actively provided with opportunities to visit our sites inside and outside Japan that are important for our main management strategies. In fiscal 2024, this involved a tour of KUBOTA AGRI FRONT, an agricultural training facility in Hokkaido, a region that is an important market for agricultural machinery. Participants also saw our smart agricultural machinery in action at local farms. Outside directors also visited our Sakai Plant, where we manufacture engines, tractors, and construction machinery. Through these efforts, trainees learn more about our business and products. In addition, through advance explanations of topics on the agenda for the Board of Directors and discussions at the VUDMs, they are able to deepen their understanding of major management issues and medium- and long-term issues.

Executive officers, meanwhile, on their appointment receive training from an external organization on laws, regulations, and corporate governance. Also, the Executive Officers' Meeting is held once a month, where the Board of Directors' policies and resolutions are instructed or communicated, and the status of discussions at the VUDM is shared.

Furthermore, all directors, Audit & Supervisory Board members, and executive officers take part in multiple officer forums each year, with each taking themes such as ESG, human rights, health & safety, the environment, quality, public relations, legal affairs, DX, and compliance. Outside experts and others are invited to these, with the aim of helping trainees gain and update their knowledge of the ever-changing external environment, and these forums are continuously being held, including online.

Corporate Governance Report Click➡

Overview of Remuneration Plan for Directors, Audit & Supervisory Board Members, and Executive Officers

Currently, Kubota is committed to shifting to business operations with ESG positioned at the core of management in line with the Long-Term Vision "GMB2030," with the aim of further strengthening the supervisory function of the Board of Directors. Following is the policy for determination of remuneration, etc., and its calculation method for directors and executive officers.

Basic policy for determination of remuneration, etc., for directors

a) The purpose of the remuneration is to encourage directors, excluding outside directors, to take the lead for sustainable growth while fulfilling social responsibilities as a company aiming to become a GMB.

- Motivate directors to achieve performance targets by reflecting in their remuneration quantitative and objective evaluation results based on financial performance indicators.
- Accelerate K-ESG management initiatives by reflecting evaluation results of the progress of the K-ESG in remuneration of directors.
- Encourage directors to hold shares of Kubota Corporation during their tenure and make them strongly aware of the need to sustainably improve corporate value through a remuneration system that is closely linked to shareholder value.
- Set the levels of remuneration and performance linkage so that directors may receive remuneration that is equivalent to or greater than the standard remuneration at other GMB companies defined by Kubota Corporation, in line with the achievement of the performance targets and K-ESG, and improvement of corporate value.

b) To achieve the purpose of the remuneration, transparency and objectivity must be ensured in the administration of the remuneration plan.

- Decisions on the development and administration of remuneration policies shall be reviewed by the Compensation Advisory Committee, where a majority of members are independent outside directors, before being determined by the Board of Directors' resolution.
- In order to fulfill accountability for shareholders precisely, disclosure shall be made not limited to the scope required by laws and regulations, but also to facilitate shareholders' understanding and dialogue with them.

Remuneration plan overview

(1) Remuneration structure

The remuneration for the inside directors consists of basic remuneration, which is fixed, and performance-linked remuneration. The composition ratio of basic remuneration to performance-linked remuneration for the president and representative director is set at approximately 1:3, to secure a high level of performance linkage suitable for a competitive remuneration level. As for the remuneration structure for inside directors holding concurrent positions as executive officers other than the president and representative director, those at a higher corporate rank earn a greater portion of performance-linked remuneration, given the size of their duties, etc., at their corporate rank.

For outside directors, remuneration consists of basic remuneration, which is fixed, and—to encourage further value sharing with shareholders—restricted stock units that are not linked to business performance. The composition ratio of basic remuneration to stock compensation is set at approximately 1:0.2.

Overview of each component

Remuneration type	Overview
Basic remuneration	**[Fixed remuneration set to reflect the degree of responsibilities, etc., of each position]** • Individual basic remuneration amounts are determined by the Board of Directors after checks and deliberations by the Compensation Advisory Committee. This basic remuneration amount is divided by 12, and paid each month on the same day as other employees' salaries.
Annual bonus	**[Cash remuneration, the aims behind which are encouraging the attainment of fiscal year performance targets related to business scale and profitability, and accelerating K-ESG management initiatives]** • Comprises a portion linked to company-wide performance (50 to 70% of annual bonuses according to position), a portion of individual evaluation (10 to 30% of the same), and a portion of K-ESG evaluation (20% of the same) • The portion linked to company-wide performance varies from 0 to 200% of the base amount, depending on the level of achievement of consolidated revenue and operating margin targets set out as major indicators in Mid-Term Business Plan 2025 • The portion of individual evaluation varies from 0 to 200% of the base amount, depending on the level of achievement of strategic company-wide targets, specific initiative targets set in Mid-Term Business Plan 2025, and financial targets, etc., for areas of responsibility, which are set at the beginning of the fiscal year based on individual responsibilities • The portion of K-ESG evaluation varies from 0 to 200% of the base amount, depending on the level of achievement of K-ESG management promotion targets which are set at the beginning of the fiscal year. • Amounts are determined by the Board of Directors after checks and deliberations by the Compensation Advisory Committee into target setting for each evaluation category and the results of those evaluations, and in principle are paid once a year, in March
Restricted stock unit	**[Stock compensation with the aim of encouraging directors to hold shares of Kubota Corporation during their tenure and through that share in, and work to enhance, shareholder value]** • For each fiscal year, a trust—that sets Kubota as entruster—grants a fixed number of transfer-restricted stocks depending on the position of the recipient, in principle after the end of each fiscal year. As a general rule, the transfer restriction is lifted after the recipient leaves their post.
Performance share unit	**[Stock compensation with the aim of encouraging directors to enhance shareholder value by achieving medium- and long-term performance targets]** • A trust—that sets Kubota as entruster—grants a fixed number of transfer-restricted stocks depending on the results of financial evaluations for three-year performance evaluation periods beginning in each fiscal year, in principle after the end of each performance evaluation period. As a general rule, the transfer restriction is lifted after the recipient leaves their post. • The indicator for the financial evaluation is ROIC ((net operating profit after income taxes + share of profits of investments accounted for using the equity method) / invested capital) for the purpose of promoting the maximization of corporate value in the medium to long term by effectively creating profit relative to invested capital, and the number of the shares to be issued in proportion to the degree of achievement changes between 0% and 200%. From fiscal 2025, in order to provide an incentive for sustainable improvement in corporate value, in addition to ROIC, TSR (total shareholder return) will be used as an indicator for the president and representative director and inside directors holding concurrent positions as executive officers. The number of shares to be issued changes between 0% and 200% in proportion to the percentile rank of the Company's TSR in the group of comparative competitors.

* Attitude to evaluation indicators and targets for annual bonuses and performance share units are continuously being revised, after discussions by the Compensation Advisory Committee, to respond to changes in the management environment, etc.
* Remuneration for the inside directors who do not hold concurrent positions as executive officers consists of basic remuneration, annual bonuses (only the portion of individual evaluation) and restricted stock units. The details of remuneration etc., are decided by resolution of the Board of Directors based on the result of deliberation by the Compensation Advisory Committee.

(2) Remuneration level

In order to properly secure competitiveness in terms of compensation suitable for a GMB company, Kubota appropriately sets the level of remuneration for directors, excluding outside directors, based on their corporate ranks and duties, by using data on objective executive remuneration surveys conducted by a specialized third-party organization to identify a group of companies whose size, profitability, type of business, overseas networks, etc., are comparable to those of Kubota as a benchmark for comparison.

(3) Shareholding guidelines

For the purpose of deepening the level of shared value with its shareholders, the Company encourages inside directors to hold the Company stock basically as follows:

- President and representative director: stock worth three times the basic remuneration by five years from taking office
- Other directors: stock worth 2.4 to 2.7 times the basic remuneration by five years from taking office

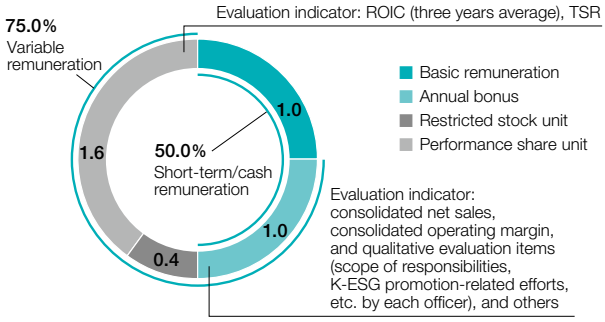
(4) Clawback/recovery of remuneration, etc. (malus and clawback clauses)

Kubota has compensation clawback clauses for the restricted stock unit and the performance share unit to be granted to the Directors. If an incident of misconduct, etc., arises, Kubota may claim the return, etc., of all or part of the issued stock and shares. The decision on claims for return, etc., and their details shall be reviewed by the Compensation Advisory Committee before being determined by a Board of Directors resolution.

(5) Remuneration determination process

- Kubota's policy on the decision of the details of remuneration for directors and the details of individual remuneration, etc., shall be decided by resolution of the Board of Directors based on the result of objective deliberation by the Compensation Advisory Committee, a majority of whose members are outside directors.
- The review by the Compensation Advisory Committee shall be attended or observed by a compensation advisor from a specialized third-party organization, where necessary, for the purpose of providing an objective point of view as well as expert knowledge and information concerning remuneration plans.

Remuneration Composition Ratios for the President and Representative Director



Total FY2024 remuneration by position

Position	Number of persons	Total amount of compensation (millions of yen)			
		Basic remuneration	Bonus	Restricted stock unit	Performance share unit
Directors (excluding Outside Directors)	6	337	303	83	145
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	4	132	—	—	—
Outside Directors	5	85	—	—	—
Outside Audit & Supervisory Board Members	3	50	—	—	—

* The above includes the remuneration of one inside Audit & Supervisory Board member and one outside director who retired at the conclusion of the 134th Ordinary General Meeting of Shareholders held on March 22, 2024.

FY2024 targets and results of performance-linked remuneration evaluation indicators

Remuneration type	Evaluation indicator	Range of payment coefficient	Target*1		Result	Payment coefficient
Annual bonus	Consolidated revenue	0–200%	Upper limit	¥3,500 billion	¥3,016.3 billion	96%
			Baseline	¥3,050 billion		
			Lower limit	¥2,600 billion		
	Consolidated operating profit margin		Upper limit	12.60%	10.46%	99%
			Baseline	10.49%		
			Lower limit	8.40%		
	K-ESG evaluation*2		—		—	92%
	Individual evaluation*3		—		—	75–175%
Performance share unit	ROIC*4		Upper limit	7.80%	5.17%	0%
			Baseline	6.90%		
			Lower limit	6.00%		

*1 The upper limit, baseline, and lower limit are indicators for which the payment coefficients upon achievement are 200%, 100%, and 50%, respectively, while the payment coefficient is 0% when the achievement is below the lower limit.
*2 With regard to the K-ESG evaluation for FY2024, an evaluation sheet was prepared covering all materiality, and the Compensation Advisory Committee evaluated the progress made as of the end of the current fiscal year against the medium- to long-term targets. As a result of the deliberations, the payment coefficient was set at 92% in light of the delay in progress on some items.
*3 The Compensation Advisory Committee assessed the degree of achievement of company-wide strategic targets set at the beginning of the fiscal year, specific targets for initiatives in the Mid-Term Business Plan, and financial targets for the areas under their responsibility.
*4 ROIC (profit attributable to owners of the parent divided by invested capital) performance in the fiscal year ended December 31, 2024, is used as an indicator for the performance share unit for the evaluation period covering fiscal years 2022 through 2024.

Management (as of March 21, 2025)

Directors and Senior Executive Officers

Yuichi Kitao

President and Representative Director

Shares owned: 153,571 | Time in office: 10 years and 9 months

Committee activity:
Chair of the Board of Directors and member of the Nomination Advisory Committee

Apr. 1979: Joined Kubota Corporation
Apr. 2005: GM of Tractor Engineering Dept.
Apr. 2009: Senior Executive Officer, GM of Tractor Div.
Jan. 2011: President of Kubota Tractor Corp. (USA)
Apr. 2013: Managing Executive Officer of Kubota Corporation
Oct. 2013: GM of Farm and Utility Machinery Div., GM of Farm and Utility Machinery International Operations HQ
Jun. 2014: Director and Managing Executive Officer
Apr. 2015: Director and Senior Managing Executive Officer, GM of Farm and Industrial Machinery Domain
Jan. 2019: Representative Director and Executive Vice President, GM of Farm and Industrial Machinery Consolidated Div.
Jun. 2019: GM of Innovation Center
Jan. 2020: President and Representative Director (to present)

Shingo Hanada

Representative Director and Executive Vice President

GM of Farm and Industrial Machinery Consolidated Div., GM of Innovation Center

Shares owned: 16,234 | Time in office: 2 years

Committee activity:
Member of the Nomination Advisory Committee and Compensation Advisory Committee

Apr. 1989: Joined Kubota Corporation
Apr. 2015: GM of Tractor Planning and Sales Promotion Dept.
Jan. 2017: GM of Agricultural Tractor Planning and Sales Promotion Dept.
Jan. 2018: GM of Outdoor Power Equipment Business Unit, GM of Outdoor Power Equipment Business Planning and Development Dept.
Jan. 2019: Senior Executive Officer, GM of Outdoor Power Equipment Div.
Feb. 2020: GM of Outdoor Power Equipment Business Planning and Development Dept.
Jan. 2021: President of Kubota Holdings Europe B.V. (Netherlands), President of Kverneland AS (Norway)
Jan. 2022: Managing Executive Officer of Kubota Corporation, President of Kubota North America Corp. (USA), President of Kubota Tractor Corp. (USA)
Mar. 2023: Director and Managing Executive Officer of Kubota Corporation
Jan. 2024: Director and Senior Managing Executive Officer, GM of Farm and Industrial Machinery Strategy and Operations HQ, Deputy GM of Planning and Control HQ, Deputy GM of Innovation Center
Jan. 2025: Representative Director and Executive Vice President (to present), GM of Farm and Industrial Machinery Consolidated Div. (to present), GM of Innovation Center (to present)

Hiroto Kimura

Director and Senior Managing Executive Officer

Deputy GM of Farm and Industrial Machinery Consolidated Div., GM of Research and Development HQ, GM of Kubota Global Institute of Technology, Deputy GM of Innovation Center

Shares owned: 38,844 | Time in office: 3 years

Apr. 1984: Joined Kubota Corporation
Apr. 2007: GM of Rice Transplanter Engineering Dept.
Apr. 2010: GM of Thai Technical Information Center, Farm and Industrial Machinery Research Dept.
Aug. 2010: Vice President of Siam Kubota Corporation Co., Ltd. (Thailand)
Jan. 2017: Senior Executive Officer of Kubota Corporation, President of Siam Kubota Corporation Co., Ltd.
Sep. 2019: President of Kubota Research and Development Asia Co., Ltd. (Thailand)
Jan. 2020: Managing Executive Officer, Deputy GM of Innovation Center (to present), Deputy GM of Research and Development HQ, Deputy GM of ASEAN Farm and Industrial Machinery Strategy and Operations HQ of Kubota Corporation
Jan. 2021: GM of Research and Development HQ (to present), GM of Carbon Neutral Promotion Dept.
Mar. 2022: Director and Managing Executive Officer
Sep. 2022: GM of Kubota Global Institute of Technology (to present)
Jan. 2023: Director and Senior Managing Executive Officer (to present)
Jan. 2025: Deputy GM of Farm and Industrial Machinery Consolidated Div. (to present)

Masato Yoshikawa

Director

President's Special Missions

Shares owned: 86,707 | Time in office: 8 years

Committee activity:
Member of the Compensation Advisory Committee

Apr. 1981: Joined Kubota Corporation
Feb. 2008: GM of Ductile Iron Pipe Planning Dept.
Oct. 2009: GM of Pipe Systems Planning Dept.
Oct. 2010: GM of Corporate Planning and Control Dept.
Apr. 2012: Senior Executive Officer
Oct. 2013: President of Kubota Tractor Corp. (USA)
Apr. 2015: Managing Executive Officer of Kubota Corporation
Mar. 2017: Director and Managing Executive Officer
Jan. 2018: Director and Senior Managing Executive Officer
Jan. 2019: GM of Planning and Control HQ, GM of Global IT Management Dept.
Apr. 2019: GM of Global ICT HQ
Jan. 2020: Director and Executive Vice President
Jan. 2022: Representative Director and Executive Vice President
Jan. 2024: GM of Human Resources and General Affairs HQ, In charge of ESG Promotion, GM of Head Office, GM of Kubota Technical Training Center
Jan. 2025: Director (to present), President's Special Missions (to present)

Dai Watanabe

Director

President's Special Missions

Shares owned: 103,670 | Time in office: 6 years

Apr. 1984: Joined Kubota Corporation
Jun. 2008: GM of Farm and Industrial Machinery International Planning and Control Dept.
Jan. 2012: President of Kubota Europe S.A.S. (France)
Apr. 2013: Senior Executive Officer of Kubota Corporation
Feb. 2014: President of Kubota Farm Machinery Europe S.A.S. (France)
Dec. 2014: President of Kverneland AS (Norway)
Sep. 2016: GM of Agricultural Implement Business Unit of Kubota Corporation
Jan. 2017: Managing Executive Officer, GM of Agricultural Implement Div.
Oct. 2017: President of Kubota Holdings Europe B.V. (Netherlands)
Jan. 2018: GM of Agricultural Implement Div. of Kubota Corporation
Jan. 2019: Senior Managing Executive Officer, GM of Farm and Industrial Machinery Strategy and Operations HQ
Mar. 2019: Director and Senior Managing Executive Officer
Jun. 2019: Deputy GM of Innovation Center
Jan. 2020: GM of Farm and Industrial Machinery Consolidated Div., GM of Innovation Center
Jan. 2023: Director and Executive Vice President
Jan. 2025: Director (to present), President's Special Missions (to present)

Eiji Yoshioka

Director

President's Special Missions

Shares owned: 41,375 | Time in office: 2 years

Apr. 1981: Joined Kubota Corporation
Apr. 2005: GM of Quality Assurance and Manufacturing Promotion Dept.
Apr. 2010: GM of Tsukuba Plant
Apr. 2013: GM of Air Conditioning Equipment Business Unit, President of Kubota Air Conditioner, Ltd.
Jan. 2016: Senior Executive Officer of Kubota Corporation, GM of Materials Div.
Jan. 2019: Responsible for Special Tasks Assigned by President
Jan. 2020: Managing Executive Officer, GM of Pipe Systems and Infrastructure Div.
Jan. 2022: Senior Managing Executive Officer, GM of Water and Environment Infrastructure Consolidated Div., Deputy GM of Innovation Center, GM of Tokyo Head Office
Mar. 2023: Director and Senior Managing Executive Officer
Jan. 2025: Director (to present), President's Special Missions (to present)

* Shares owned is correct as of December 2024, time in office is correct as of March 2025.

Outside Directors

Yutaro Shintaku
Outside Director

Shares owned: 14,753 | Time in office: 7 years

Committee activity:
Chair of the Nomination Advisory Committee and Compensation Advisory Committee

Apr. 1979: Joined Toa Nenryo Kogyo K.K. (currently, ENEOS Corporation)
Jan. 1999: Joined Terumo Corporation
Jun. 2005: Executive Officer
Jun. 2006: Director and Executive Officer
Jun. 2007: Director and Senior Executive Officer, In charge of R&D Center, Intellectual Property Dept. and Legal Dept.
Jun. 2009: Director and Managing Executive Officer, GM of Strategy Planning Dept., In charge of Human Resources Dept. and Accounting & Finance Dept.
Jun. 2010: President and Representative Director
Apr. 2017: Director and Adviser
Mar. 2018: Outside Director of Kubota Corporation (to present)
Apr. 2018: Visiting Professor of Hitotsubashi University Business School
Apr. 2019: Special Professor (to present)
Sep. 2019: Outside Director of Kozo Keikaku Engineering Inc.
Jul. 2024: Outside Director of Kozo Keikaku Engineering Holdings Inc. (to present)

Kumi Arakane
Outside Director

Shares owned: 11,277 | Time in office: 4 years

Committee activity:
Member of the Nomination Advisory Committee and Compensation Advisory Committee

Apr. 1981: Joined Kobayashi Kosé Co., Ltd. (currently, Kosé Corporation)
Mar. 2002: Senior Chief Researcher of R&D HQ Advanced Cosmetic Research Laboratories
Mar. 2004: GM of Product Development Dept.
Mar. 2006: Executive Officer, Deputy Director-General of Marketing HQ
Mar. 2010: GM of R&D Laboratories
Mar. 2011: GM of Quality Assurance Dept., Marketing Supervisor-General
Jun. 2011: Director, In charge of Quality Assurance Dept., Customer Service Center, Purchasing Dept., Product Designing Dept.
Jun. 2017: Audit & Supervisory Board Member
Mar. 2019: Audit & Supervisory Board Member of Kubota Corporation
Mar. 2020: External Director of Kagome Co., Ltd. (to present)
Jun. 2020: Outside Director of Toda Corporation (to present)
Mar. 2021: Outside Director of Kubota Corporation (to present)

Koichi Kawana
Outside Director

Shares owned: 4,908 | Time in office: 2 years

Committee activity:
Member of the Nomination Advisory Committee and Compensation Advisory Committee

Apr. 1982: Joined JGC Corporation (currently, JGC Holdings Corporation)
Jul. 1997: GM of Abu Dhabi Office, GM of Kuwait Office
Jul. 2001: GM of London Office
May 2004: GM of Project Business Investment Promotion Dept.
Jul. 2007: Executive Officer, GM of New Business Promotion Div.
Aug. 2007: Senior GM of New Business Promotion Div.
Jul. 2009: Managing Director, Senior GM of Global Marketing Div.
Jun. 2010: Representative Director, Senior Executive Vice President
Jul. 2011: Representative Director and President (COO)
Jun. 2012: Representative Director and President
Jun. 2017: Director and Vice Chairman
Jun. 2019: Outside Director of Bandai Namco Holdings Inc. (to present)
Jun. 2020: Outside Director of RENOVA, Inc.
Dec. 2020: External Director of ispace, Inc. (to present)
Mar. 2023: Outside Director of Kubota Corporation (to present)
Jun. 2023: Director and Chairman of RENOVA, Inc. (non-fulltime, non-executive) (to present)

Yuri Furusawa
Outside Director

Shares owned: 6,174 | Time in office: –

Committee activity:
Member of the Nomination Advisory Committee and Compensation Advisory Committee

Apr. 1986: Joined Ministry of Transport (currently, Ministry of Land, Infrastructure, Transport and Tourism)
Dec. 2000: Administrator of Organisation for Economic Co-operation and Development (OECD)
Jul. 2004: Director for International Policy Planning, Ministry of Land, Infrastructure and Transport (currently, Ministry of Land, Infrastructure, Transport and Tourism)
Jul. 2006: Director for International Affairs & Crisis Management Div., Japan Coast Guard
Jul. 2008: Counsellor of Cabinet Secretariat (Assistant to Assistant Deputy Chief Cabinet Secretary)
Aug. 2011: Deputy General Manager of International Sales Dept., Shiseido Co., Ltd.
Jul. 2014: Assistant Vice-Minister for International Affairs of Ministry of Land, Infrastructure, Transport and Tourism
Sep. 2015: Vice-Commissioner of Japan Tourism Agency
Jun. 2016: Councillor of Cabinet Secretariat, Cabinet Bureau of Personnel Affairs
Jul. 2019: Minister's Secretariat of Ministry of Land, Infrastructure, Transport and Tourism
Jul. 2019: Retired from Ministry of Land, Infrastructure, Transport and Tourism
Mar. 2021: Outside Audit & Supervisory Board Member of Kubota Corporation
Jun. 2022: Independent Outside Corporate Auditor of Subaru Corporation (to present)
Mar. 2025: Outside Director of Kubota Corporation (to present)

Yoshinori Yamashita
Outside Director

Shares owned: 0 | Time in office: –

Committee activity:
Member of the Nomination Advisory Committee and Compensation Advisory Committee

Mar. 1980: Joined Ricoh Company, Ltd.
Feb. 1995: GM of Business Planning Div. of Ricoh UK Products Ltd. (UK)
Apr. 2008: President of Ricoh Electronics, Inc. (USA)
Apr. 2010: Group Executive Officer of Ricoh Company, Ltd.
Apr. 2011: Corporate Senior Vice President, GM of Corporate Planning Div.
Jun. 2012: Director, Corporate Executive Vice President
Jun. 2016: Director, Deputy President
Apr. 2017: Representative Director, President and CEO
Apr. 2021: Vice Chairperson of Japan Association of Corporate Executives (to present)
Oct. 2021: Co-chair of Japan Climate Leaders' Partnership (JCLP) (to present)
Apr. 2023: Representative Director and Chairperson of Ricoh Company, Ltd. (to present*)
* Apr. 2025: Appointed Director and Chairperson
Jun. 2024: External Director of Nomura Real Estate Holdings, Inc. (to present), Outside Director of Asahi Kasei Corp. (to present)
Mar. 2025: Outside Director of Kubota Corporation (to present)

* Shares owned is correct as of December 2024, time in office is correct as of March 2025.

Audit & Supervisory Board Members

Yasuhiko Hiyama

Audit & Supervisory Board Member

Shares owned: 25,797 | Time in office: 7 years

Apr. 1981: Joined Kubota Corporation
Apr. 2008: President of Kubota Industrial Equipment Corp. (USA)
Apr. 2010: GM of Tractor Planning and Sales Promotion Dept.
Apr. 2012: GM of Farm and Utility Machinery Planning and Sales Promotion Dept.
Apr. 2014: GM of Farm and Utility Machinery Business Unit I, GM of Farm and Utility Machinery Planning and Sales Promotion Dept. I, GM of Farm and Utility Machinery Planning and Sales Promotion Dept. II
Apr. 2015: GM of Tractor and Utility Machinery Business Unit
Jan. 2016: Senior Executive Officer
Jan. 2017: GM of Compact Tractor, Turf and Utility Vehicle Business Unit
Jan. 2018: Deputy GM of Tractor Div.
Mar. 2018: Audit & Supervisory Board Member (to present)

Masashi Tsunematsu

Audit & Supervisory Board Member

Shares owned: 8,235 | Time in office: 3 years

Apr. 1986: Joined Kubota Corporation
Jun. 2010: GM of Water Engineering & Solution Planning Dept.
Jan. 2018: GM of Environmental Business Planning and Sales Dept.
Feb. 2019: GM of Water and Environment Infrastructure Management Dept.
Mar. 2022: Audit & Supervisory Board Member (to present)

Kazushi Ito

Audit & Supervisory Board Member

Shares owned: 34,137 | Time in office: 1 year

Apr. 1987: Joined Daiwa Securities Co. Ltd.
Apr. 2002: Joined UFJ Capital Markets Securities Co., Ltd. (currently, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)
Mar. 2007: Joined Depfa Bank Plc., Tokyo Branch
Oct. 2010: Joined Kubota Corporation
Apr. 2015: GM of Strategic Planning Dept.
Jan. 2018: Senior Executive Officer, Deputy GM of Planning and Control HQ, GM of Global Management Promotion Dept., GM of Strategic Planning Dept.
Jan. 2020: GM of Corporate Planning and Control Dept.
Mar. 2024: Audit & Supervisory Board Member (to present)

Outside Audit & Supervisory Board Members

Yuichi Yamada

Outside Audit & Supervisory Board Member

Shares owned: 7,405 | Time in office: 5 years

Committee activity:
Observer of the Compensation Advisory Committee

Oct. 1984: Joined Asahi & Co. (currently, KPMG AZSA LLC)
Mar. 1988: Registered as a Certified Public Accountant of Japan
Aug. 2003: Representative Partner of Asahi & Co. (currently, KPMG AZSA LLC)
Jun. 2008: Board Member of KPMG AZSA & Co. (currently, KPMG AZSA LLC)
Sep. 2011: Deputy Tokyo Office Managing Partner of KPMG AZSA LCC
Jul. 2015: Chairman of Tokyo Partners Meeting of KPMG AZSA LCC
Jul. 2016: Representative of Yuichi Yamada Certified Public Accountant Firm (to present)
Mar. 2020: Outside Audit & Supervisory Board Member of Kubota Corporation (to present)

Keijiro Kimura

Outside Audit & Supervisory Board Member

Shares owned: 4,668 | Time in office: 3 years

Apr. 1987: Registered as an attorney at law of Japan, Joined Showa Law Office
Jan. 1994: Registered as an attorney in New York State, US
May 1998: Established Kyoei Law Office
Jan. 2011: Representative Partner of Kyoei Law Office (to present)
Mar. 2022: Outside Audit & Supervisory Board Member of Kubota Corporation (to present)

Setsuko Ino

Outside Audit & Supervisory Board Member

Shares owned: 0 | Time in office: –

Apr. 1988: Joined Suntory Ltd.
Sep. 1994: Joined PepsiCo, Inc. (USA)
Jul. 2003: Director and GM of Accounting & Finance Div. of Sun Microsystems Japan K.K.
Nov. 2006: CFO and Representative Director of SAP Japan Co., Ltd.
Mar. 2012: CFO of Retail Division of Amazon Japan G.K.
Jun. 2017: CFO of Asurion Japan K.K.
Jan. 2024: Venture Partner of Eight Roads Ventures Japan (to present)
Jun. 2024: Outside Audit & Supervisory Board Member of Yamato Holdings Co., Ltd. (to present)
Mar. 2025: Outside Audit & Supervisory Board Member of Kubota Corporation (to present)

* Shares owned is correct as of December 2024, time in office is correct as of March 2025.

Executive Officers

Senior Managing Executive Officers

Nikhil Nanda

Nobuyuki Ishii

Yoshimitsu Ishibashi

Katsuhiko Yukawa

Managing Executive Officers

Yasukazu Kamada

Koichi Yamamoto

Hirohiko Arai

Mampei Yamamoto

Nobushige Ichikawa

Shinichi Fukuhara

Takanobu Azuma

Tomohiro Iitsuka

Junji Ota

Hideo Takigawa

Takashi Ichikawa

Wataru Kondo

Senior Executive Officers

Koichiro Kan

Hideki Mori

Executive Officers

Hiroyuki Tanihara

Toshiyuki Taneda

Shiro Watanabe

Todd Stucke

Hiroyuki Araki

Yoshifumi Makino

Tadahito Suzui

Koichi Nakagawa

Kazunori Tani

Yuji Kambara

Shinya Tsuruda

Sumio Morioka

Shinichi Yamada

Hitoshi Sasaki

Satoshi Suzuki

Koji Wada

Masaya Nishiyama

Keishiro Nishi

Seiji Fukuoka

Junji Takeda

Brian Arnold

Yasuaki Shiomi

Kuninosuke Iwata

Risk Management

Basic Policy of Risk Management

To increase its corporate value, the Kubota Group has constructed a management system for risk with a potential material impact on business operations. Specifically, each department in charge of risk management appropriately recognizes risks and stipulates risk management rules for managing them. Based on these rules, the departments propose and execute the necessary action items, and verify their effectiveness by conducting audits of business divisions.

The departments revise the risk management rules as necessary to create a risk management system that is able to respond to the constantly changing corporate environment and risks.

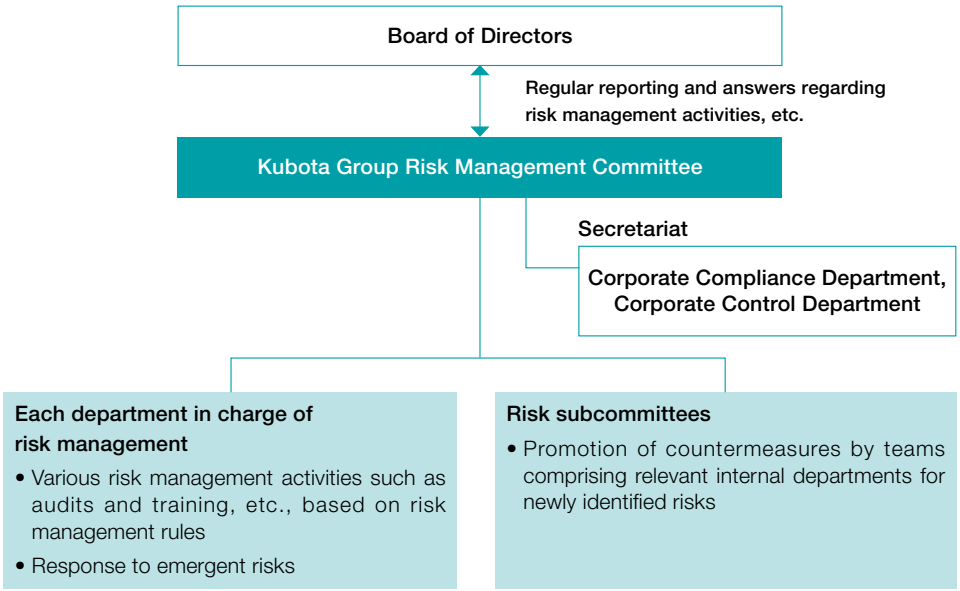
Risk Management System

The Kubota Group Risk Management Committee, which is chaired by the president, has been established to plan, propose, and communicate the Group's key policies and systems for risk management, and to confirm and approve the activity results and activity policy for each risk.

The committee maintains existing risk management activities relating to internal control risk, ascertains new risks with potential major impact on business operations, and takes countermeasures.

Specifically, the committee undertakes regular risk assessments of the Kubota Group, and after conducting a risk assessment, it determines new risks to be addressed as a priority. In addition, subcommittees under the supervision of the Kubota Group Risk Management Committee implement risk response measures and regularly report back to the committee on their progress. The committee monitors these and issues instructions where necessary.

The committee's deliberations, including these risk management processes, are regularly reported to the Board of Directors, which reviews them.



Risk Assessment Overview

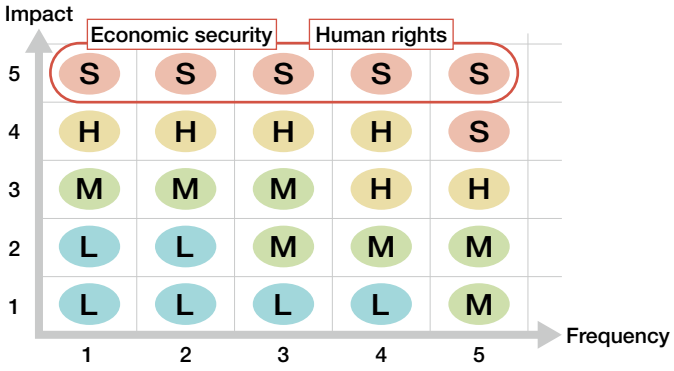
From November to December 2022, we conducted a risk questionnaire for executives at the level of division general manager or above (including all directors.)

Based on the questionnaire results, we considered factors including the impact and frequency of risk occurrence and expert opinions, and summarized these into a risk matrix.

For risks that have a particularly large impact, we again conducted interviews and so forth with relevant internal departments to confirm and verify the status of risk management activities based on risk management rules and related rules. Based on the results of these activities, we newly determined economic security and human rights due diligence to be risks that we need to address and we are taking countermeasures for them.

To appropriately respond to changes in the business environment, we plan to regularly conduct risk assessments and review the risks that need to be addressed.

Risk Matrix



*Letters in the table indicate the severity of the envisaged risks as follows.
S: Severe
H: High
M: Medium
L: Low

Risk Countermeasures

Economic Security

Changes in the government policies and laws of countries in light of increased international tension, such as confrontations and wars between large countries, are expected to have a major impact on the Group's business activities.

For supply chains that are expected to be particularly strongly impacted, relevant divisions within the Company cooperate to promote countermeasures, such as multi-site procurement, in order to promote increased risk resilience. In addition, we will further expand our countermeasures and management systems for the current status of related themes such as employee health and safety, information security, and security exports.

Human Rights Due Diligence

Amid global trends emphasizing human rights, the emergence of human rights issues could have a significant impact on the Company's corporate value.

Based on the results of risk assessments conducted through internal workshops, the Group conducted human rights questionnaires with business partners and we also visited them as part of our engagement activities aimed at sharing human rights issues. We plan to continue this initiative and expand its scope to include Group companies.

We also surveyed foreign skilled interns in the company and held interviews to confirm details. Furthermore, we engaged in dialogue with overseas experts on business and human rights to make sure that the Kubota Group's efforts to respect human rights align with global demands and expectations.

Compliance

Fundamental Compliance Promotion Policy

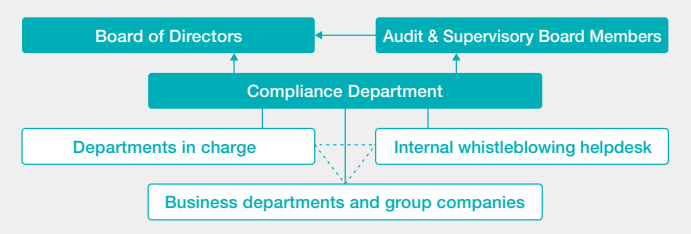
To realize K-ESG management, we share a common set of values codified in our Corporate Principles and Charter for Action & Code of Conduct, and our fundamental policy is that we faithfully adhere to laws and internal rules, but also to ethical and moral standards. Compliance forms the foundation for a company to achieve continuous growth, and so to promote it, we have come up with a three-pronged approach: fostering awareness, gaining knowledge, and constructing systems. In line with this approach, we are ensuring thorough compliance through such measures as training and education, rules, and an internal control system.

Moreover, to warrant the trust and confidence placed in us by customers and other stakeholders, and to give back to society, it is important that we perform our work honestly and sincerely, without lies or falsehoods. On this point, we are striving to transform some words that Kubota's founder valued—"One must hold integrity and morality in high esteem"—into our corporate culture. It goes without saying that we must adhere to laws and regulations, but integrity and morality are equally vital in this age of compliance, and we believe them to be the basis of our corporate activities.

Basic approach
"No sales or profits are worth pursuing at the expense of the Kubota Group's corporate dignity and trust."

Ref: "The Way of Business," a radio segment by Gonshiro Kubota that was broadcast on March 8, 1937. In it he stated:
"First, one must encourage, and patiently exert, oneself.
Second, **one must hold integrity and morality in high esteem**.
Third, one must temper one's body and mind."

Promotion framework



"Kubota Group Charter for Action & Code of Conduct"

All the employees working for the Kubota Group, including those overseas, are required at the time of joining the Group to submit a written "Confirmation Statement" that they will comply with the Kubota Group Charter for Action & Code of Conduct, and the corporate principles, the Kubota Global Identity.

Furthermore, various tools for education and awareness-raising are prepared with the aim of fostering a mindset based on compliance and the corporate principles.

"Kubota Group Charter for Action & Code of Conduct" (Itemized)

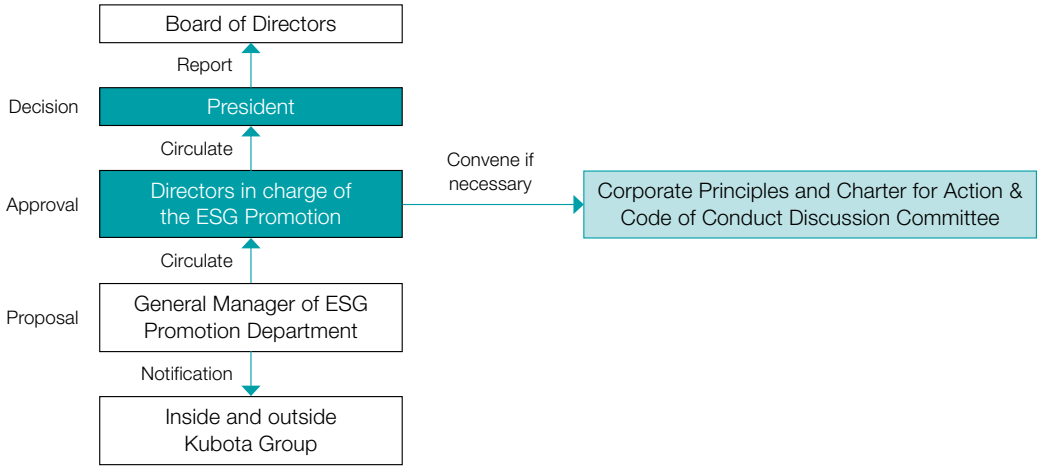
1. Winning Customer Satisfaction
   (1) Product Safety and Superior Quality
   (2) Responding to Customer Requests and Complaints
   (3) Appropriate Advertising and Labeling
2. Conducting Corporate Activities Based on Compliance with Legal Regulations and Ethical Principles
   (1) Legal Compliance and Observance of Corporate Ethics Are Basic Conditions for Corporate Activities
   (2) Observance of Laws of Individual Countries and Regions, as well as International Rules
   (3) Early Detection and Prevention of Misconduct
   (4) Compliance with Fair Trade Laws and Regulations
   (5) Compliance with Export and Import Laws and Regulations
   (6) Proper Relationships with Political Groups and Government Organizations
   (7) Rules for Entertainment, Gifts, and Donations
   (8) Fairness and Transparency in Transactions
   (9) Compliance with Internal Rules
   (10) Prohibition of Activities Contrary to the Proper Interest of the Company
   (11) Preservation of Company Assets
   (12) Respect for and Usage of Intellectual Property
   (13) Management of Confidential Information
   (14) Security of Electronic Information
3. Respecting Human Rights
   (1) Respecting Human Rights
   (2) Prohibition of Harassment
   (3) Protection of Personal Information
4. Building up a Safe Work Environment in which Employees Can Feel Growth and Job Satisfaction
   (1) In-depth Supervision of Safety, Sanitation, and Health
   (2) Building up a Workplace in which Each and Every Employee Can Feel Growth and Job Satisfaction
5. Conserving the Global and Local Environment
   (1) Environmental Conservation Efforts in All Business Activities
   (2) Global Environmental Conservation
   (3) Environmental Protection to Create a Symbiotic Relationship with Local Societies
   (4) Our Voluntary and Organized Efforts in Environmental Conservation
6. Achieving Symbiosis with International and Local Societies
   (1) Respect of Culture and Customs of All Countries and Regions
   (2) Elimination of Relationships with Antisocial Elements
   (3) Contributing to Society
   (4) Firm Commitment to Safe Driving
7. Fulfilling Responsibilities for Improving Management Transparency and Accountability
   (1) Appropriate and Timely Disclosure of Corporate Information
   (2) Proper Accounting/Taxation Treatment
   (3) Emphasis on Internal Audits
   (4) Prohibition of Insider Trading

Kubota Group Charter for Action & Code of Conduct Click

* The Kubota Group Charter for Action & Code of Conduct is reviewed frequently in light of changes in the social and economic conditions in Japan and overseas affecting the Company, as well as changes in laws and regulations, and so forth. In January 2024, in light of changes to its Long-Term Vision "GMB2030," K-ESG management, and the current social environment, the Group made changes to "4. Building up a Safe Work Environment in which Employees Can Feel Growth and Job Satisfaction" of the Charter for Action, as well as reconstituting some paragraphs and making partial revisions.

Management Structure for the Charter for Action & Code of Conduct

The ESG Promotion Department was established as the division responsible for revising the Charter for Action & Code of Conduct, and for internally promoting and establishing them. When revisions are to be made, the department proposes them and obtains approval from the director in charge of the ESG Promotion before the final decision is made by the President and the revision is then reported to the Board of Directors. Moreover, when revising the Charter for Action & Code of Conduct, a meeting of the Corporate Principles and Charter for Action & Code of Conduct Discussion Committee is convened as necessary. In addition, to reflect changes in the domestic and international socio-economic environment surrounding the Company, we annually verify the effectiveness and suitability of the Charter for Action & Code of Conduct.



Education and Awareness Raising

"Kubota Group Code of Conduct Guide"

A guide describing the "Kubota Group Charter for Action & Code of Conduct" in a straightforward way using illustrations and explanations. The guide was organized into a single booklet together with the corporate principles — the Kubota Global Identity— and the Kubota Group Charter for Action & Code of Conduct. In January 2024, the single booklet was revised and issued to all domestic Kubota Group employees.

"Compliance Support Courier"

A document that uses illustrations and Q&As to encourage employees to think about common compliance issues. Distributed monthly by e-mail. We have created effective tools to promote and establish the courier, such as pocket cards, and we also make effective selection and use of media, such as posting on the Company intranet.

For employees who have just joined the Kubota Group, we provide induction training on the Kubota Group Charter for Action & Code of Conduct. We also conducted e-learning training for employees of domestic Group companies in 2023. Afterwards, in a questionnaire, we had them think more deeply about the Kubota Group Charter for Action & Code of Conduct with regard to whether they are putting it into practice or striving to put it into practice (or intending to do so going forward).

Survey of Compliance

Each year, we confirm the level of understanding and actions of employees with the Corporate Principles and Management Policy Penetration Survey. In 2024, the combined result for employees who have affirmed, acted on, and understood the principles and management direction was 62%.

Compliance Awareness Survey

The Kubota Group has hitherto implemented a so-called K-ESG Awareness Survey as a way of performing fixed-point monitoring of K-ESG management. Currently, we have included the strengthening of risk management as an item of materiality in K-ESG management. In light of this, in order to place greater emphasis on identifying compliance-related risks, in FY2024 we started conducting a new compliance-related survey, called the Compliance Awareness Survey.

[Survey overview]

■ Objectives

(1) To gauge compliance-related risks and measure awareness levels

(2) To explore initiatives through the collection and analysis of candid employee opinions in the form of open-ended responses

■ Format

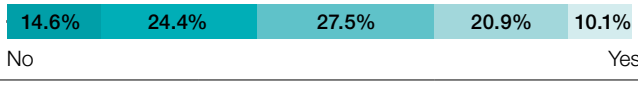
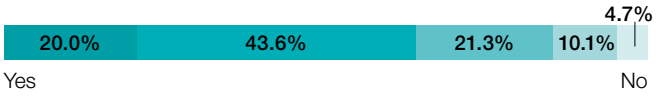
44 questions (43 multiple-choice questions and one open-ended question)

■ Scope

- Regular senior employees of Kubota (Including employees stationed overseas)
- Regular employees of domestic affiliates
- Regular employees of consolidated agricultural machinery sales companies

* In FY2024, the survey targeted a total of 23,430 individuals, with 22,540 valid responses received (response rate of 96.2%).

[Example of survey results]

Example questions	←Positive responses →Negative responses
Do you think there is a culture in your workplace that makes it difficult to point out compliance issues such as fraud or scandals?	
Do you believe that if there are no other means to accomplish your task, it is sometimes unavoidable to engage in actions that slightly violate compliance rules?	
Do you think you would face unfair treatment if you reported or sought to discuss fraud or a scandal in the workplace?	
Do you think your workplace has an open environment in which people can speak up about what needs to be said?	

* The graph above does not show the response rates for “Not applicable” and “Not sure,” so the total response rates for each question may not add up to 100%.

Internal Control System

For Kubota Group, its internal control system serves as the mechanism for clearly providing the rules that should be abided by as to the performance of business, and for checking whether or not business has been managed according to those rules. This system consists of the business operation on one hand, which entails the performance of business based on rules, and risk management on the other hand, which entails the management of major business risks.

"Business operation" refers to the notion that basic action items necessary for operating businesses should be set out as "business rules." The notion also requires that each department should conduct its day-to-day checks in accordance with the "business rules." "Business rules" consists of general business rules (basic rules) on one hand and functional business rules on the other.

Risk management refers to the notion that "risk management rules" should set out appropriate operational action items that all administrative departments should implement, to the extent that the administrative departments are primarily responsible for some risks. The notion also requires that those departments should identify promotional action items to manage the risks. The notion further requires that auditing should be conducted on appropriate business departments to verify the effectiveness thereof.

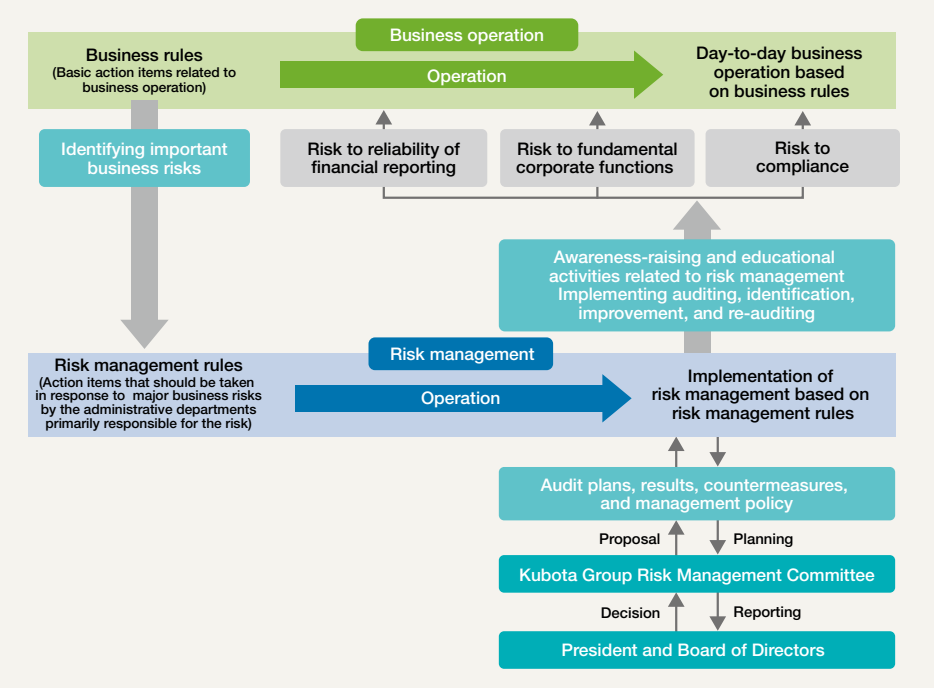
Internal Control System Overview

In the internal control system, major risks in Kubota's business are classified into the following three categories:

1. Internal control over reliability of financial reporting
2. Internal control over the fundamental functions of the Company, such as fair trade, environmental conservation, and health and safety
3. Internal control over compliance, such as compliance with laws and regulations related to equipment, and import and export control

To avoid those risks, the Kubota Group is building an internal control system based on the COSO framework. Administrative departments primarily responsible for some risks should implement promotional action items and conduct audits on the appropriate business departments. The outcomes of implementation and auditing should be reported to the President and the Board of Directors, together with the action items for the next fiscal year. Thus, the PDCA cycle for risk management is implemented in the manner outlined above.

Internal Control System Overview



Internal Control System Operation Activities (Risk Management Activities)

Kubota considers its risk management activities as part of its business activities. Based on its understanding that risk management is the foundation of business activities, Kubota is willing to exert its efforts to manage risks appropriately through continuous steady improvement via "immediate corrective actions upon any perception of inadequacies," by identifying risks common to the entire Kubota Group, such as those relating to the reliability of financial reporting. At the same time, while accelerating the global development of its businesses, Kubota strongly recognizes that risk management activities are the foundation for the continuity of its businesses, and strives to improve such activities both in Japan and overseas.

Number of Audits and Contents of Risk Management

Risk management items		Risk to be avoided	Number of audited items for FY2024*1
Internal control over reliability of financial reporting	Financial reporting	• Risk to reliability of financial reporting	7,597
Internal control over the fundamental functions of the Company	Fair trade	• Bid rigging and price fixing • Unfair trading concerning trading with distributors, etc. • Non-compliance with the Subcontract Act	130
	Environmental conservation	• Non-compliance with laws and regulations • Environmental accidents • Past environmental debt	13,319
	Health and safety	• Occurrence of serious accidents • Occupational illnesses • Investigations and litigations	1,471
	Quality assurance	• Occurrence of quality problems detrimental to the Kubota brand, etc.	581
	Labor management	• Breach of duties of care as to safety of employees • Improper management of working conditions • Improper management of part-time employees, contractors and agency employees • Occurrence of labor problems outside Japan	4,860
	Information security	• Computer virus infection • Information leakage • Information system failure	3,531
	Intellectual property	• Infringement of other companies' intellectual property	840
Internal control over compliance	Compliance with laws and regulations related to equipment	• Non-compliance with laws and regulations of the Building Standards Act, the Fire Service Act, and the Industrial Safety and Health Act, etc. in connection with assets and facilities owned by Kubota	640
	Earthquake and other disaster response management	• Important managerial losses including danger to human lives due to earthquakes and other disasters, damage to equipment, and destruction of the information system	110
	Compliance with the Construction Business Act	• Non-compliance with the Construction Business Act	496
	Human rights advancement*2	• Occurrence of human rights violation issues	–
	Safe driving management	• Accidents arising from non-compliance with traffic laws and regulations and violating acts	143
	Prevention of illegal payments	• Trading with antisocial forces • Non-compliance with the Political Funds Control Act • Improper payments to foreign public officials	18
	Classified information management	• The leakage of classified information including a development plan for a new product and sales plan	419
	Protection of personal information	• Leakage and loss of personal information related to customers, employees, etc. • Improper use of personal information	157
	Import and export control	• Non-compliance with laws and regulations related to importing and exporting, including the Customs Act, the Foreign Exchange and Foreign Trade Control Law, the Basel Convention, and laws related to chemical substances	73
	Compliance with laws and regulations related to logistics	• Non-compliance with the three major road laws, including the Road Traffic Act; and with the laws and regulations related to logistics activities, including the Labor Standards Act, etc.	280

*1 Number of audited items is the sum of the number of items audited in each of the divisions subject to audit.
*2 Activities for human rights advancement focused mainly on training, the release of information, and the follow-up of survey results.

Whistleblowing System

Contact Points for Kubota and Domestic Group Companies (Kubota Hotline)

As a framework to supplement risk management, the Kubota Group has established the Kubota Hotline as a contact point for Kubota and its domestic Group companies. It aims to prevent, or quickly detect and correct, any illegal or unethical acts, as well as to develop an open corporate culture. Aside from the Kubota Hotline, in Japan, Kubota also operates an Audit & Supervisory Board member hotline for the reporting of matters relating to Kubota directors and a Kubota Group Supplier Hotline for our outside business partners.

[Types of issues and departments responsible for handling the reports]

- Addresses issues in general related to corporate ethics, such as legal violations, internal regulation breaches, corrupt practices, human rights violations, and harassment.
- Reports will be handled in cooperation with the Corporate Compliance Department, the Human Rights Advancement Department, and external lawyers.

[Available to]

- All the employees at Kubota and its domestic Group companies (including retiree within one year)
- Anonymous reporting and consultations are also accepted

[Reporting method]

Kubota Hotline accepts consultations via a dedicated form available 24/7, telephone, or email.

[Protection of whistleblower]

- The internal regulations of Kubota and its domestic Group companies clearly state that whistleblowers and other users of the hotline must not be treated unfavorably.
- Personnel responsible for handling reports and consultations at each location are required to sign a written oath regarding the confidentiality of information.

[Raising awareness of Kubota Hotline]

Kubota Hotline has been disseminated through multiple channels including the intranet. In order to alleviate any concerns that may arise from a lack of understanding of the Kubota Hotline, information on the protection of the whistleblower, handling of anonymous reports, and process of using Kubota Hotline.

[Reporting to executive management]

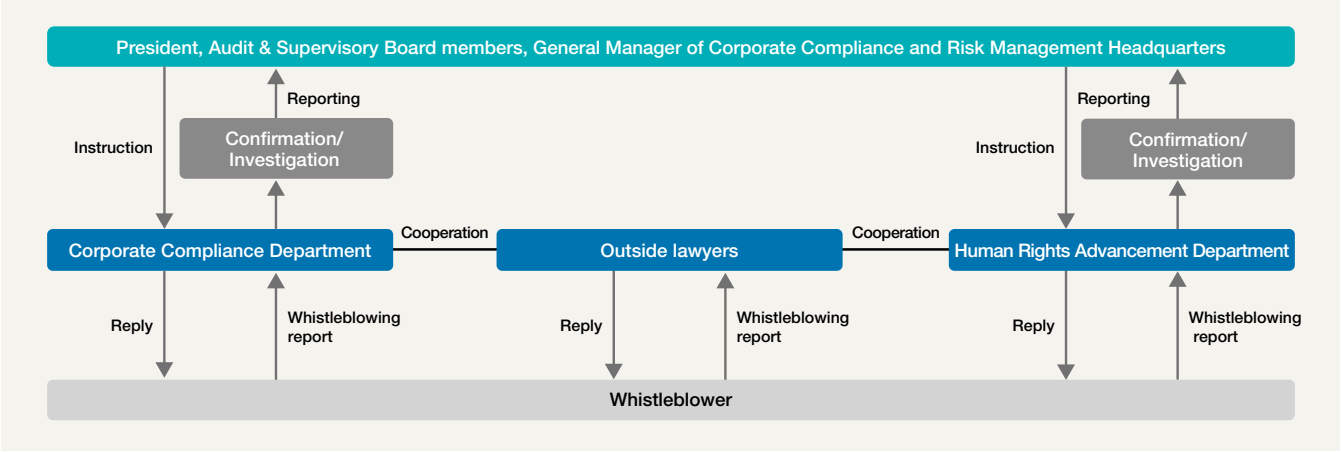
Information on the number and the content of reports is regularly presented to executive management to provide an overview of risk and enable measures to prevent recurrence.

Reports made to the hotline (in Japan)

FY2022	FY2023	FY2024
100	118	144

(of which, 75% were labor and personnel related)

Flowchart of Kubota Hotline



Contact Points for Overseas Group Companies (Global Hotline)

Kubota Group Global Hotline has been implemented at some overseas locations since 2023. The Global Hotline is for the reporting of risk* that have a significant impact on the management of Kubota Group.

- Anonymous reporting is available
- The Global Hotline is available 24/7 from PC or smartphone
- The website supports 16 languages, and the telephone line supports over 200 languages
- Investigations and other forms of response are conducted in collaboration with law firms when necessary

* Bribery, violation of competition laws, leakage of sensitive information, including personal data, and misconduct by executive management

Prevention of Illegal Payments

The Kubota Group is engaged in efforts to prevent any corrupt practices. It has placed particular focus on preventing bribery among risk management activities on the preventing of illegal payment, and will work to achieve SDGs Target 16.5: Substantially reduce corruption and bribery in all their forms.

Amid increasing international moves to anti-bribery, we marked December 9 – designated by the United Nations as International Anti-Corruption Day – by broadcasting a President's Message to all Kubota Group officers and employees every year. In the message, our top management made a clear commitment by declaring that 'KUBOTA Group never allows business based on unfair practices such as bribery.'

Photograph shown in President's Message

As part of efforts to prevent corruption, the Kubota Group is working to establish and enforce rules for pre-consultation on opportunities suspected of involving bribery, including small bribes. Also, to ensure effectiveness, we are strengthening and enforcing education and awareness activities for officers and employees, especially those stationed at overseas locations. Specifically, as part of our anti-bribery education for officers and employees, we run training based on concrete case studies involving the bribery of foreign public officials, along with workshops and e-learning sessions both in Japan and overseas. To deepen understanding of the laws, incidents, and enforcement status in each country, we extensively incorporate explanations by lawyers. By doubling down on pre-consultation rules and conducting regular and continuous training, we aim to cultivate an awareness of bribery prevention and ensure the circulation of the latest information.

Furthermore, we have prepared a handbook*, and we issue newsletters throughout the year, among various measures to introduce various information such as laws, regulations, and case studies related to bribery prevention, embezzlement, and facilitation payments, etc., to the entire Group in and effort to prevent bribery and ensure widespread awareness.

In addition, as an initiative directed outside the company, a 'Request to Suppliers' was posted on the Kubota website in the name of the General Manager of the Corporate Compliance and Risk Management Headquarters. The text outlined to suppliers the Kubota Group's approach to bribery prevention and asked for their understanding and cooperation in bribery prevention activities.

From the end of 2023, we have rolled out operation of a global hotline for overseas bases. In this way, we are working to enhance our internal reporting system with the aim of facilitating early detection and prevention of bribery and other improper activity.

To verify these risk management activities, the Kubota Group has established the Committee on Prevention of Illegal Payments. In FY2024, document surveys were conducted at 13 companies in Japan and 34 overseas bases to investigate whether preventive frameworks were in place and sufficiently functioning, as well as whether there were any illegal payments.

The policies for these risk management activities and the results are periodically reported to the Board of Directors through the Kubota Group Risk Management Committee. Based on the feedback provided, the content of risk management activities is reviewed to improve the overall level.

* We have put together a Kubota Group Handbook for Anti-Bribery which is being issued across the entire Group. The Handbook is issued in a global version with universal content available in Japanese, English, French, Chinese, and Thai.

Kubota Group Policy on Anti-Bribery

There are no sales or profits that must be pursued at the expense of company's dignity in the Kubota Group.
The Kubota Group will never condone any business activities that are based on bribery or other illegal acts. Officers and employees of the Kubota Group must not be involved in any bribery.
Today, corporations are strongly required by the society to improve corporate value through their effort on ESG (Environmental sustainability, Social contribution, and Governance).
As specified in the Kubota Group Charter for Action, we commit ourselves to conducting corporate activities based on compliance with legal regulations and ethical principles. Contributing to the realization of sustainable society by complying with legal regulations and maintaining high ethical standards in corporate activities is the mission of the Kubota Group.
We must always bear in mind that bribery is a serious crime that is not tolerated anywhere in the world, as it deprives people of the opportunity of fair and equal competition and contributes to widening social disparities through corruption.

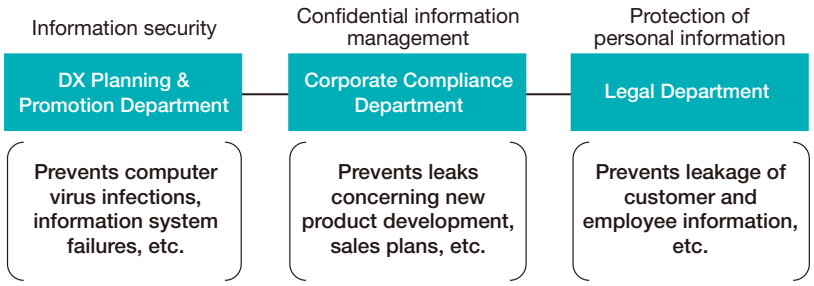
President
Kubota Corporation

Information Security

As cyberattacks yearly grow more sophisticated and more complex, Kubota is aware that the appropriate protection and management of the personal information of its customers and other stakeholders is an important social responsibility. In order to secure its competitiveness, Kubota is also devoted to preventing the leakage of confidential information such as technological information.

Information Security System

Depending on the type of information, Kubota appoints main divisions to conduct ongoing activities such as revising rules, auditing, and awareness-raising at their respective locations. These activities are also conducted at overseas bases. When necessary, these divisions cooperate with each other in risk management.



Under a Group-wide framework directed by the Company-wide information security supervisor, we assign highly expert staff with specialist Japanese or overseas qualifications, such as Registered Information Security Specialists or Certified Information Systems Security Professionals (CISSP), to the department in charge of company-wide information security. We also appoint personnel in charge of promoting information security (IT Managers) at each department and Group company. In this way, we implement Group-wide security measures based on the policies formulated by the department in charge.

We have also established Kubota-CSIRT, an organization for managing information security-related incidents/accidents. In the case of such incidents or accidents in the Group, we promptly share information, responding rapidly and taking measures to minimize damage.

Information Security Structure

System Response and Monitoring

To guard against computer viruses, unauthorized intrusion into systems and networks from the outside, or other threats, we have implemented and are centrally managing multilayered security measures worldwide, including the use of antivirus software, vulnerability assessments, and robust authentication mechanisms involving multifactor authentication. By additionally introducing platforms that use AI and other technologies to analyze security logs, we are also reinforcing measures to detect and deal with suspect activity at an early stage.

Education and Awareness-Raising

We recognize that each employee also plays a vital role in dealing with information security threats. For this reason, considering trends and risks in the world, we have established new guidelines for the use of generative AI. Also, we mandate periodic information security education for employees who handle information. We seek to gain greater understanding of measures each employee must observe, including how to deal with suspicious emails and how to use generative AI.

Audits

To raise the level of the information security response across the entire Kubota Group, we have established a common Group information security policy and conduct information security audits every year to ascertain compliance status. (100% internal audit implementation rate)

Supply Chain Risk Management

To achieve stable business continuity and our goal of continuous development of synergies within the Kubota Group and with suppliers and society, we have established security guidelines for factories based on international security standards for control systems (such as IEC 62443). In this way, we are working on evaluating and strengthening security measures at our own factories. In addition, we have established information security standards required of our suppliers to enhance the security level across the entire supply chain.

Provision of Secure Products and Systems

To further enhance the safety of products and systems we provide to customers, we have joined Japan Automotive ISAC (J-Auto-ISAC), and we are working on understanding issues that have occurred within the industry and acquiring and utilizing knowledge related to product security.

Moreover, considering the legislation aimed at strengthening cybersecurity measures in products and systems, we have also worked on revising product development processes and standards.

Third-Party Evaluation and Certifications

Kubota promotes third-party evaluations and certifications related to information security.

[ISMS Certification]

The following companies have organizations that have acquired ISMS certification based on the international information management system standard (ISO/IEC 27001) from the ISMS Accreditation Center (ISMS-AC) (as of January 8, 2025).

Kubota Group Companies with ISMS Certified Organizations
- Kubota Corporation
- Kansouken Inc.

[PrivacyMark Certification]

The following companies have been licensed by the JIPDEC to use the PrivacyMark (as of January 8, 2025).

Kubota Group Companies with PrivacyMark Certification
- Kansouken Inc.
- Kubota Credit Co., Ltd.

Tax Management

The Kubota Group's basic principle is to comply with the tax laws and regulations of each country, as well as with the relevant international tax standards (OECD Guidelines, etc.) and to enhance our corporate value by paying the appropriate amount of taxes. We believe tax payments are part of a company's key social responsibilities; we therefore provide training and educational opportunities for our employees. We also disclose important tax-related matters to our stakeholders in a timely manner. We strive to establish trust with tax authorities by providing appropriate information in a timely manner and engaging with authorities openly and transparently.

Tax Payment Data

(billions of yen)

	Japan	North America	Europe	Asia	Other	Total
Income Tax Paid FY2023 by region	22.3	50.3	8.7	17.0	1.5	99.9

* The above amounts are based on "Country-by-Country Report" submitted to Japanese Tax Authorities, and not directly related to the Consolidated Financial Statements.

Personal Information Protection

As cyberattacks yearly grow more sophisticated and more complex, Kubota is aware that the appropriate protection and management of the personal information of its customers and other stakeholders is an important social responsibility. In addition, we are working to appropriately manage personal information not only under Japanese law, but also overseas laws and regulations.

System

Under our internal rule “Personal Information Protection Rules” regarding the protection of personal information, a responsible person is appointed at each business division, department, and Group company to promote appropriate handling of personal information. We have also established a structure that will enable us to respond rapidly to an incident such as a data leak. To minimize the risk of data leaks originating from contractors, we established and enforced “the Guidelines for entrusting personal data” in 2024, and since then, we have endeavored to bolster our management of contractors.

Education and Awareness-Raising

We regularly conduct education and awareness-raising activities for departments and Group companies that handle personal information in our efforts to increase and strengthen employee awareness. From 2023, we have conducted e-learning together with the IT department, combining an information security perspective to provide education for employees of departments and Group companies.

Audits

We regularly conduct audits (such as on-site and document audits) of departments and Group companies handling personal information to understand the status of risk management related to personal information.

Ensuring the Reliability of Financial Reporting

To ensure the reliability of financial reporting for the Kubota Group overall, including overseas subsidiaries, we have established and operate an internal control system. Moreover, to confirm its effectiveness, the Corporate Auditing Department and the auditing divisions of subsidiaries conduct regular internal audits. Based on the results of these audits, we have built a system for evaluating the effectiveness of internal controls on a consolidated basis in conformance with the internal control and reporting system (J-SOX), etc., pertaining to financial reporting as stipulated by the Financial Instruments and Exchange Act.

Compliance with the Anti-Monopoly Act/Competition Laws

We realize that full implementation of compliance is key to establishing Kubota as a Global Major Brand. The Kubota Group therefore engages in the risk management activities set out below to ensure prevention of any infringement of Japan’s Anti-Monopoly Act and the competition laws of overseas countries as well as the Subcontract Act.

System

The Company’s internal rules relating to Japan’s Anti-Monopoly Act, competition laws and the Subcontract Act are the Rules on Competition Laws Compliance and the Rules on Subcontract Act Compliance. Under these rules, we have established the Competition Laws Compliance Committee and the Subcontract Law Subcommittee, each with members elected from Kubota and Kubota Group companies’ relevant departments. These committees promote measures to prevent violations of their respective laws and regulations.

Education and Awareness-Raising

In 2023, the Guidelines for Global Competition Law were formulated as basic rules for the Kubota Group with regard to the Anti-Monopoly Act and competition laws, and the Company implements education and awareness-raising regarding the guidelines. Moreover, annual training sessions about the Subcontract Act are held each year for divisions engaged in subcontracting business. In addition, training is conducted as needed for business divisions and Group companies on the Anti-Monopoly Act, competition laws, and Subcontract Act. In 2024, we conducted training on competition laws and the aforementioned guidelines at workshops for employees widely dispatched to overseas locations.

Audits

Kubota continuously conducts audits under both the Anti-Monopoly Act and Subcontract Act, including on-site inspection, targeting its business divisions and Group companies in Japan. For overseas Group companies that conduct sales outside the Group as well, Kubota gauges the status of risk management in relation to each country’s competition laws through document surveys, email, and communication through online meetings and other venues.

Maintaining and Expanding the Consultation System

The Company has stipulated the reports and consultations to be undertaken based on the Rules on Competition Laws Compliance and the Rules on Subcontract Act Compliance, should it be judged that a Kubota Group officer or employee has violated, or is in suspicion of having violated the relevant laws and regulations, or in any other case where it is necessary, and maintains a consultation system for both emergencies and normal times.

Corporate Principles

Amid globalization of management and advancement of diversity, personnel with diverse backgrounds are joining the Kubota Group. There is a growing need for all Kubota Group employees around the world to understand and share, across national borders, generations and job ranks, the Kubota Group's vision, basic philosophy and concepts.

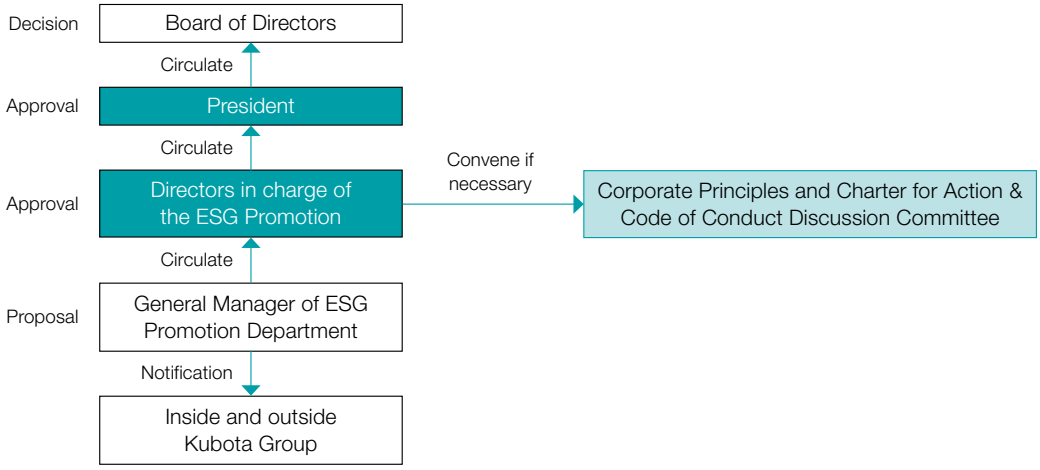
The Company's founding spirit and shared values have been organized as the corporate principles, "Kubota Global Identity"*, which we are promoting among employees with the aim of increasing recognition and understanding, as well as practical application. By conducting corporate activities that enable each individual to carry out the roles and responsibilities of the Kubota Group, we aim to contribute to all stakeholders.

The "Kubota Global Identity," the corporate principles of the Kubota Group, was established on October 1, 2012 and then updated to its current format on July 1, 2016.

* For details about "Kubota Global Identity," please refer to page 5.

Management Structure of the Corporate Principles

The ESG Promotion Department was established as the division responsible for revising the corporate principles, "Kubota Global Identity," and for internally promoting and establishing it. When revisions are to be made, the department proposes them and obtains approval from the director in charge of the ESG Promotion and the President before the revision is then decided by the Board of Directors. When revising the corporate principles, a meeting of the Corporate Principles and Charter for Action & Code of Conduct Discussion Committee is called as necessary. We also report to the Board every year about the level of awareness of the corporate principles, including the measures taken to raise such awareness and understanding.



Education and Awareness-Raising

Through regular training sessions, we aim to entrench and enhance the understanding of Kubota's corporate principles. The training includes introductory sessions for new employees joining the Kubota Group and tiered training for employees newly appointed to positions. In addition, to broadly reach all employees, we conduct annual online training and in-person training with workshops at each business location to facilitate a deeper understanding of the corporate principles.

Furthermore, in recognition of the importance of direct communication from management to employees, in 2024, the president shared his experiences and provided opportunities to reflect on the corporate principles together with employees. The vice president also delivered messages to employees in Japan and overseas during online training sessions.

A training session attended by the president

The vice president delivering an online message

Moreover, as tools for instilling the corporate principles in employees, we select and use the most effective media according to the situation, including pocket cards printed with the corporate principles, an educational video series, and information sharing on the intranet. Since the 2012 establishment of the current corporate principles, the Kubota Global Identity, we have been continuously carrying out activities aimed at their entrenchment among employees.

Employee Awareness Survey

The Kubota Group conducts employee awareness surveys to gauge employees' level of understanding of the corporate principles and management direction.

Since FY2023, when the method of conducting the survey was revised and the previous K-ESG Awareness Survey was reorganized, a Corporate Principles and Management Direction Penetration Survey has been conducted.

The survey shared the Kubota Group spirit and vision throughout the entire Group, and helped to realize practical implementation of the corporate principles and the Long-Term Vision GMB2030.

* Since FY2021, Kubota Corporation has also conducted an Engagement Survey in parallel with the survey. (See p.137 for details.)

Number of Respondents over the Past 10 Years

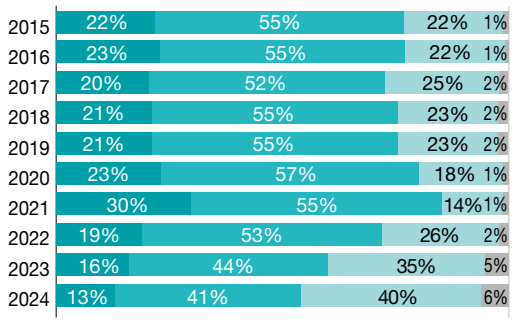
Fiscal year	Number of respondents*
FY2015	7,696
FY2016	8,427
FY2017	11,659
FY2018	12,840
FY2019	13,007
FY2020	15,275
FY2021	15,644
FY2022	16,319
FY2023	15,358
FY2024	19,378

* FY2015 to FY2022 data is the number of respondents to the K-ESG Awareness Survey (formerly the CSR Awareness Survey).
Data from FY2023 is the number of respondents to the "Corporate Principles and Management Direction Penetration Survey."

Answers to Key Questions in the Employee Awareness Survey

■ Question regarding the degree of penetration of the corporate principles

Since the start of activities to instill awareness of the corporate principles in FY2013, ongoing efforts to communicate information to employees (whether it be activities implemented annually or from time to time) are leading to an entrenched sense of awareness.



The questions and answer selection were changed to enable an accurate grasp of the degree of penetration of the corporate principles.

Question

2015-2021
Are you aware of the Kubota Group's mission of helping to solve issues surrounding food, water, and the environment—the elements essential to human survival—as well as our brand statement "For Earth, For Life," and have you considered what you can do in your position?

- Aware of and act on them
- Aware of but do not act on them
- Not strongly aware of them
- Not aware of them

2022-2024
How well do you understand the corporate principles (Kubota Global Identity)?

- Affirm and act on it
- Understand it
- Know it or have heard of it
- Do not know about it

GRI Content Index

GRI 1: Foundation	
Statement of use	The Kubota Group has reported the information cited in this GRI content index for the period from January 1 to December 31, 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

Universal Standards

GRI Standard No.	Disclosure	Applicable topics	Page No.
GRI 2: General Disclosures 2021			
2-1	Organizational details	· Corporate Data	15
2-2	Entities included in the organization's sustainability reporting	· Editorial Note	2
2-3	Reporting period, frequency and contact point	· Editorial Note	2
2-4	Restatements of information	—	—
2-5	External assurance	· Third-Party Assurance of Environmental Report	97-99
2-6	Activities, value chain and other business relationships	· Corporate Data	15
2-7	Employees	· Corporate Data · Human Resource Database	15 152
2-8	Workers who are not employees	· Human Resource Database	—
2-9	Governance structure and composition	K-ESG Management Promotion Framework Corporate Governance System, Composition of the Board of Directors and the Audit & Supervisory Board	8 160-163
2-10	Nomination and selection of the highest governance body	Directors and Audit & Supervisory Board Members	164
2-11	Chair of the highest governance body	Management (Yuichi Kitao)	168
2-12	Role of the highest governance body in overseeing the management of impacts	K-ESG Management Promotion Framework Corporate Governance System, Composition of the Board of Directors and the Audit & Supervisory Board	8 160-163
2-13	Delegation of responsibility for managing impacts	K-ESG Management Promotion Framework	8
2-14	Role of the highest governance body in sustainability reporting	—	—
2-15	Conflicts of interest	Management, 10 Largest Shareholders	15, 168-169
2-16	Communication of critical concerns	Health and Safety Promotion System Internal Control System Whistleblowing System	155 177 179
2-17	Collective knowledge of the highest governance body	Executive Training	165
2-18	Evaluation of the performance of the highest governance body	Evaluation of the Board of Directors' Effectiveness	165
2-19	Remuneration policies	Overview of Remuneration Plan for Directors, Audit & Supervisory Board Members, and Executive Officers	166-167
2-20	Process to determine remuneration	Overview of Remuneration Plan for Directors, Audit & Supervisory Board Members, and Executive Officers	167
2-21	Annual total compensation ratio	—	—
2-22	Statement on sustainable development strategy	· President's Message	6
2-23	Policy commitments	Kubota Group Human Rights Policy "Kubota Group Charter for Action & Code of Conduct"	101 174-175
2-24	Embedding policy commitments	Human Rights Due Diligence, Human Rights Education Participation in the United Nations Global Compact Kubota Group Supplier Code of Conduct "Kubota Group Charter for Action & Code of Conduct"	102-103 105 120 174-175
2-25	Processes to remediate negative impacts	Grievance Mechanism Supplier Hotline Kubota Hotline, Global Hotline	104 121 179
2-26	Mechanisms for seeking advice and raising concerns	Grievance Mechanism Supplier Hotline Kubota Hotline, Global Hotline	104 121 179
2-27	Compliance with laws and regulations	· Environmental Management -Compliance with Environmental Laws and Regulations · Compliance	 77 174
2-28	Membership associations	· Environmental Communication -Cooperation with Environment-related Industry Groups and Governments	 84
2-29	Approach to stakeholder engagement	Environmental Communication Activities Constructive Dialogue with Shareholders Emergency and Humanitarian Support, Resolving Issues (Food, Water and Environment, Other Areas,) Educating the Next Generation Social Contribution Activities through Corporate Sporting Events Dialogue between Labor and Management Organizational Strengthening Strengthening Individuals	83 122 126-130 131 136 137 143
2-30	Collective bargaining agreements	Dialogue between Labor and Management	136
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	· K-ESG Management to Realize the Long-Term Vision "GMB2030"	7
3-2	List of material topics	· K-ESG Management to Realize the Long-Term Vision "GMB2030" · Materiality Objectives and Indicators · Environmental Management Basic Policy -Environmental Management Approach (Materiality in Environmental Management)	7 9-10 18

GRI Standard No.	Disclosure	Applicable topics	Page No.
3-3	Management of material topics	K-ESG Management Promotion Framework Materiality Objectives and Indicators Environmental Charter / Action Guidelines Environmental Vision Medium- and Long-Term Environmental Conservation Targets and Results Organization Structure Corporate Governance System Risk Management System	8 9-10 17 21 24-26 27 160 172

Topic-specific Standards

GRI Standard No.	Disclosure	Applicable topics	Page No.
Economic			
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Financial Highlights Social Contribution Expenditures	11-12 125
201-2	Financial implications and other risks and opportunities due to climate change	Disclosure in Accordance with the TCFD Recommendations	34-51
201-3	Defined benefit plan obligations and other retirement plans	HR System	134
201-4	Financial assistance received from government	—	—
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—	—
202-2	Proportion of senior management hired from the local community	—	—
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	· Conserving Biodiversity -Evaluating our Relationship with Biodiversity · Social Contribution Activities -Basic Approach -Emergency and Humanitarian Support -Resolving Issues (Food) -Resolving Issues (Water and Environment) -Resolving Issues (Other Areas) -Educating the Next Generation -Social Contribution Activities through Corporate Sporting Events	 62 124 126 126 127 128 129 131
203-2	Significant indirect economic impacts	· Respecting Human Rights · Relationships with Customers -R&D -Production / Quality Control · Relationships with Business Partners	101 109 112 120
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	—	—
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Prevention of Illegal Payments	180
205-2	Communication and training about anti-corruption policies and procedures	· Compliance -Internal Control System -Whistleblowing System -Prevention of Illegal Payments	 177 179 180
205-3	Confirmed incidents of corruption and actions taken	Whistleblowing System	179
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	n/a	—
GRI 207: Tax 2019			
207-1	Approach to tax	Tax Management	182
207-2	Tax governance, control, and risk management	· Compliance -Fundamental Compliance Promotion Policy -Internal Control System	 174 177
207-3	Stakeholder engagement and management of concerns related to tax	·Compliance -Fundamental Compliance Promotion Policy -Internal Control System	 174 177
207-4	Country-by-country reporting	Tax Payment Data	182
Environmental			
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	· Working towards a Recycling-based Society -Waste, etc. from Business Sites (Measures to Reduce Waste, Examples of Collaboration with Other Companies) -Waste Management -Improvement of Resource Efficiency · Expanding Environment-conscious Products and Services -Managing Used Products -Recycled Products · Environmental Data -Overview of the Environmental Load on the Value Chain -Trends in Major Environmental Indicators	 53 53 55 76 76 86 87
301-2	Recycled input materials used		
301-3	Reclaimed products and their packaging materials		

GRI Standard No.	Disclosure	Applicable topics	Page No.
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	· Mitigating and Adapting to Climate Change -Mitigation of Climate Change (Trends in Energy Use at Business Sites and Energy Use per Unit of Sales [Graph]) · Environmental Data -Overview of the Environmental Load on the Value Chain -Calculation Standards of Environmental Performance Indicators (Energy and CO_2-related)	 31 86 93
302-2	Energy consumption outside of the organization	· Environmental Data -Trends in Major Environmental Indicators -Calculation Standards of Environmental Performance Indicators (Energy and CO_2-related)	 87 93
302-3	Energy intensity	· Medium- and Long-Term Environmental Conservation Targets and Results -Medium-Term Environmental Conservation Targets and Results · Mitigating and Adapting to Climate Change -Mitigation of Climate Change (Trends in Energy Use at Business Sites and Energy Use per Unit of Sales [Graph]) · Environmental Data -Overview of the Environmental Load on the Value Chain -Trends in Major Environmental Indicators	 25 31 86 87
302-4	Reduction of energy consumption	· Mitigating and Adapting to Climate Change -Mitigation of Climate Change (Measures to Reduce CO_2 Emissions)	 29
302-5	Reductions in energy requirements of products and services	—	—
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	· Conserving Water Resources -Water Withdrawal -Water Management · Conserving Biodiversity -Disclosure in Accordance with the TNFD Recommendations (Scenario Analysis -Evaluate: Results of risk assessment (2) - regional water stress analysis)	 56 57 67
303-2	Management of water discharge-related impacts	· Conserving Water Resources -Water Management -Controlling Water Discharge and Mitigating Water Risks · Conserving Biodiversity -Disclosure in Accordance with the TNFD Recommendations (Scenario Analysis)	 57 57 66
303-3	Water withdrawal	· Conserving Water Resources -Water Withdrawal · Conserving Biodiversity -Disclosure in Accordance with the TNFD Recommendations (Scenario Analysis) · Environmental Data -Overview of the Environmental Load on the Value Chain -Trends in Major Environmental Indicators -Calculation Standards of Environmental Performance Indicators (Water-related)	 56 66 86 87 95
303-4	Water discharge	· Conserving Water Resources -Water Management -Controlling Water Discharge and Mitigating Water Risks · Conserving Biodiversity -Disclosure in Accordance with the TNFD Recommendations (Scenario Analysis) · Environmental Data -Overview of the Environmental Load on the Value Chain -Trends in Major Environmental Indicators -Calculation Standards of Environmental Performance Indicators (Water System Discharge)	 57 57 66 86 87 95
303-5	Water consumption	· Conserving Water Resources -Water Withdrawal · Conserving Biodiversity -Disclosure in Accordance with the TNFD Recommendations (Scenario Analysis) · Environmental Data -Overview of the Environmental Load on the Value Chain -Trends in Major Environmental Indicators -Calculation Standards of Environmental Performance Indicators (Water-related)	 56 66 86 87 95
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	· Conserving Biodiversity -Approach to Conserving Biodiversity -Evaluating our Relationship with Biodiversity -Disclosure in Accordance with the TNFD Recommendations -Conservation of Biodiversity around Business Sites · Social Contribution Activities -Resolving Issues (Water and Environment)	 61 62 63 71 127-128
304-2	Significant impacts of activities, products and services on biodiversity		
304-3	Habitats protected or restored		
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	· Conserving Biodiversity -Disclosure in Accordance with the TNFD Recommendations (Scenario Analysis-Evaluate: Results of risk assessment (3) — assessment of ecosystem around production sites)	 68

GRI Standard No.	Disclosure	Applicable topics	Page No.
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	· Medium- and Long-Term Environmental Conservation Targets and Results -Long-Term Environmental Conservation Targets 2030 and Results · Mitigating and Adapting to Climate Change -Mitigation of Climate Change (CO_2 Emissions (Scope 1 and Scope 2)) -Mitigation of Climate Change (CO_2 Emissions throughout the Value Chain) · Environmental Data -Overview of the Environmental Load on the Value Chain -Trends in Major Environmental Indicators (CO_2 Emissions) -Calculation Standards of Environmental Performance Indicators (Energy and CO_2-related)	 24 29 32 86 87 93
305-2	Energy indirect (Scope 2) GHG emissions		
305-3	Other indirect (Scope 3) GHG emissions		
305-4	GHG emissions intensity	· Medium- and Long-Term Environmental Conservation Targets and Results -Medium-Term Environmental Conservation Targets and Results · Mitigating and Adapting to Climate Change -Mitigation of Climate Change(Trends in CO_2 Emissions and Emissions per Unit of Sales [Graph])	 25 29
305-5	Reduction of GHG emissions	· Mitigating and Adapting to Climate Change -Mitigation of Climate Change (Measures to Reduce CO_2 Emissions)	 29
305-6	Emissions of ozone-depleting substances (ODS)	· Controlling Chemical Substances -Control of Ozone-depleting Substances · Environmental Data -Calculation Results of PRTR-designated Substances -Calculation Standards of Environmental Performance Indicators (Chemical Substance-related)	 60 90 96
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	· Controlling Chemical Substances -VOC Emissions -Release and Transfer of PRTR-designated Substances -Control of Air Pollutants · Environmental Data -Overview of the Environmental Load on the Value Chain -Trends in Major Environmental Indicators (Atmospheric Discharge) -Calculation Results of PRTR-designated Substances -Calculation Standards of Environmental Performance Indicators (Chemical Substance-related)	 58 59 60 86 87 90 96
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	· Working towards a Recycling-based Society -Waste, etc. from Business Sites (Measures to Reduce Waste, Examples of Collaboration with Other Companies) -Waste Management · Environmental Data -Overview of the Environmental Load on the Value Chain -Trends in Major Environmental Indicators (Waste) -Calculation Standards of Environmental Performance Indicators (Waste-related)	 53 53 86 87 95
306-2	Management of significant waste-related impacts		
306-3	Waste generated		
306-4	Waste diverted from disposal		
306-5	Waste directed to disposal		
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Green Procurement	80
308-2	Negative environmental impacts in the supply chain and actions taken	—	—
Social			
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Employee Profile Staff Turnover Rate	135 152
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—	—
401-3	Parental leave	Promoting Diverse and Flexible Workstyles	140
GRI 402: Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	Dialogue between Labor and Management	136
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Health and Safety Promotion System Occupational Health and Safety Management System Certification	155 158
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Internal Control System Operation Activities	154-158 178
403-3	Occupational health services	Occupational Health and Safety	154-158
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety Promotion System	155
403-5	Worker training on occupational health and safety	Safety Training and Awareness	157
403-6	Promotion of worker health	Health & Productivity Management	149-151
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health & Productivity Management Occupational Health and Safety	149-151 154-158
403-8	Workers covered by an occupational health and safety management system	Health and Safety Promotion System Occupational Health and Safety Management System Certification	155 158
403-9	Work-related injuries	Lost Time Incident Rate/Injury Severity Rate/Work-related Fatalities	158
403-10	Work-related ill health	· Health & Productivity Management -Key Issues and KPIs	 150

GRI Standard No.	Disclosure	Applicable topics	Page No.
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	· Human Resource Database	152
404-2	Programs for upgrading employee skills and transition assistance programs	· Improvement of Employee Growth and Job Satisfaction -Organizational Strengthening -Creating a Corporate Culture through Dialogue -Developing Group Human Resources -Strengthening Individuals	 137 138 139 143
404-3	Percentage of employees receiving regular performance and career development reviews	HR System	134
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Management Human Resource Database Employee Profile	168-171 152 135
405-2	Ratio of basic salary and remuneration of women to men	Salary by Type of Employment and by Gender	153
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Grievance Mechanism Whistleblowing System	104 179
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Kubota Group Human Rights Policy Respecting Human Rights throughout the Supply Chain Dialogue between Labor and Management	101 107 136
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	Kubota Group Human Rights Policy Modern Slavery Statement Respecting Human Rights throughout the Supply Chain “Kubota Group Charter for Action & Code of Conduct”	101 105 107 174
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Kubota Group Human Rights Policy Modern Slavery Statement Respecting Human Rights throughout the Supply Chain “Kubota Group Charter for Action & Code of Conduct”	101 105 107 174
GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	n/a	—
GRI 411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	n/a	—
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Social Contribution Activities	124-131
413-2	Operations with significant actual and potential negative impacts on local communities	—	—
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Green Procurement Sustainable Procurement	80 120
414-2	Negative social impacts in the supply chain and actions taken	Self-Assessments of CSR Procurement	120
GRI 415: Public Policy 2016			
415-1	Political contributions	n/a	—
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	· Relationships with Customers -Production / Quality Control -Quality Assurance	 112 113
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Assurance	113
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	—	—
417-2	Incidents of non-compliance concerning product and service information and labeling	—	—
417-3	Incidents of non-compliance concerning marketing communications	—	—
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	—	—
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	—	—

SASB Comparison Table

Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting metric	Code	Page No.
Energy Management	(1) Total energy consumed	RT-IG-130a.1	87
	(2) Percentage grid electricity		25 (The percentage of renewable energy is listed on the Medium-Term Environmental Conservation Targets and Results page) * The percentage of grid electricity is not listed.
	(3) Percentage renewable		
Employee Health & Safety	(1) Total recordable incident rate (TRIR)	RT-IG-320a.1	158
	(2) Fatality rate		
	(3) Near miss frequency rate (NMFR)		
Fuel Economy & Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	RT-IG-410a.1	—
	Sales-weighted fuel efficiency for non-road equipment	RT-IG-410a.2	—
	Sales-weighted fuel efficiency for stationary generators	RT-IG-410a.3	—
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	RT-IG-410a.4	—
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-IG-440a.1	107
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1	—

Activity Metrics

Activity metric	Code	Page No.
Number of units produced by product category	RT-IG-000.A	—
Number of employees	RT-IG-000.B	15

ISO 26000 Comparison Table

Kubota initiatives that correspond to each of the 7 core subjects of ISO 26000, and each theme

7 Core Subjects of ISO 26000	Issue	Relevant ESG REPORT 2025 section	Page No.
Organizational governance		Founder's Spirit	4
		Corporate Principles	5
		K-ESG Management to Realize the Long-Term Vision "GMB2030"	7
		Materiality Objectives and Indicators	9-10
		· Corporate Governance	
		-Corporate Governance System	160
		· Risk Management	172
		· Compliance	174
Human Rights	1: Due diligence 2: Human rights risk situations 3: Avoidance of complicity 4: Resolving grievances 5: Discimination and vulnerable groups 6: Civil and political rights 7: Economic, social, and cultural rights 8: Fundamental principles and rights at work	· Respecting Human Rights	
		-Kubota Group Human Rights Policy	101
		-Human Rights Due Diligence	102
		-Human Rights Education	103
		-Grievance Mechanism	104
		-Activities and Engagement Related to Human Rights	105
		-Respecting Human Rights throughout the Supply Chain	107
Labour practices	1: Employment and employment relationships 2: Conditions of work and social protection 3: Social dialogue 4: Health and safety at work 5: Human development and training in the workplace	· Relationships with Customers	
		-Ensuring Skills to Maintain Customer Satisfaction	116
		· Outline	133
		· Improvement of Employee Growth and Job Satisfaction	137
		· Diversity	146
		· Health & Productivity Management	149
		· Occupational Health and Safety	154
The environment	1: Prevention of pollution 2: Sustainable resource use 3: Climate change mitigation and adaptation 4: Protection of the environment, biodiversity and restoration of natural habitats	· Environmental Management Basic Policy	
		-Environmental Charter / Action Guidelines	17
		-Environmental Management Approach	17
		· Environmental Vision	
		-Environmental Vision	21
		-Background in establishing the Environmental Vision	22
		· Medium- and Long-Term Environmental Conservation Targets and Results	
		-Long-Term Environmental Conservation Targets 2030 and Results	24
		-Medium-Term Environmental Conservation Targets and Results	25
		-Next Medium- and Long-Term Environmental Conservation Targets	26
		· Environmental Management Promotion System	
		-Organization Structure	27
		-ESG Management Strategy Meeting	27
		-Environmental Manager Conferences	28
		· Mitigating and Adapting to Climate Change	
		-Non-financial Highlights (CO_2 Emissions)	13
		-Mitigation of Climate Change	29
		-Adaptation to Climate Change	33
		-Disclosure in Accordance with the TCFD Recommendations	34
		-Kubota's Initiatives	46
		· Working towards a Recycling-based Society	
		-Non-financial Highlights (Waste Discharge)	13
		-Waste, etc. from Business Sites	52
		-Waste Management	53
		-Improvement of Resource Efficiency	55
		-Handling and Storage of Equipment Containing PCB (in Japan)	55
		· Conserving Water Resources	
		-Non-financial Highlights (Water Withdrawal)	13
		-Water Withdrawal	56
		-Water Management	57
		-Controlling Water Discharge and Mitigating Water Risks	57
		· Controlling Chemical Substances	
		-Non-financial Highlights (VOC (Volatile Organic Compound) Emissions)	13
		-VOC Emissions	58
		-Release and Transfer of PRTR-designated Substances	59
		-Control of Ozone-depleting Substances	60
		-Control of Air Pollutants	60
		-Monitoring Groundwater	60
		-Reduction of Chemical Substances Contained in Products	60
		· Conserving Biodiversity	
		-Approach to Conserving Biodiversity	61
		-Evaluating our Relationship with Biodiversity	62
		-Disclosure in Accordance with the TNFD Recommendations	63
		-Promoting Continuous Conservation Activities	71
		-Conservation of Biodiversity around Business Sites	71
		-Promoting Social Contribution Activities	72
		· Social Contribution Activities	
		-Resolving Issues (Water and Environment)	127-128

7 Core Subjects of ISO 26000	Issue	Relevant ESG REPORT 2025 section	Page No.
The environment	1: Prevention of pollution 2: Sustainable resource use 3: Climate change mitigation and adaptation 4: Protection of the environment, biodiversity and restoration of natural habitats	· Expanding Environment-conscious Products and Services	
		-Environmental Considerations in the Product Lifecycle	73
		-Internal Certification System for Eco-Products	74
		-Managing Used Products	76
		-Recycled Products	76
		· Environmental Management	
		-Compliance with Environmental Laws and Regulations	77
		-The Kubota Group's Environmental Management System	77
		-Green Procurement	80
		-Supplier Management	80
		-Environmental Education and Enlightenment	81
		· Environmental Communication	
		-Environmental Communication Activities	83
		-Cooperation with Environment-related Industry Groups and Governments	84
		-Receiving Environmental Awards	85
		· Environmental Data	
		-Overview of the Environmental Load on the Value Chain	86
		-Trends in Major Environmental Indicators	87
		-Calculation Results of PRTR-designated Substances	90
		-Environmental Accounting	91
		-Calculation Standards of Environmental Performance Indicators	92
Fair operating practices	1: Anti-coruuption 2: Responsible political involvement 3: Fair competition 4: Promoting social responsibility in the value chain 5: Respect for property rights	· Relationships with Business Partners	
		-Sustainable Procurement	120
		· Risk Management	172
		· Compliance	174
Consumer issues	1: Fair marketing, factual and unbiased information and fair contractual practices 2: Protecting consumers' health and safety 3: Sustainable consumption 4: Consumer service, support, and complaint and dispute resolution 5: Consumer data protection and privacy 6: Access to essential services 7: Education and awareness	· Mitigating and Adapting to Climate Change	
		-Adaptation to Climate Change	33
		-Kubota's Initiatives	46
		· Expanding Environment-conscious Products and Services	
		-Environmental Considerations in the Product Lifecycle	73
		-Internal Certification System for Eco-Products	74
		-Recycled Products	76
		· Relationships with Customers	
		-R&D	109
		-Production / Quality Control	112
		-Quality Assurance	113
		-Customer Service	118
		· Relationships with Business Partners	120
		· Social Contribution Activities	
		-Emergency and Humanitarian Support	126
		· Risk Management	172
		· Compliance	174
Community involvement and development	1: Community involvement 2: Education and culture 3: Employment creation and skills development 4: Technology development and access 5: Wealth and income creation 6: Health 7: Social investment	Founder's Spirit	4
		Corporate Principles	5
		· Relationships with Customers	
		-R&D	109
		· Shareholders and Investors	
		-Constructive Dialogue with Shareholders	122
		· Improvement of Employee Growth and Job Satisfaction	
		-Developing Group Human Resources	139
		-Strengthening Individuals	143
		· Social Contribution Activities	
		-Basic Approach	124
		-Emergency and Humanitarian Support	126
		-Resolving Issues (Food)	126
		-Resolving Issues (Water and Environment)	127
		-Resolving Issues (Other Areas)	128
		-Educating the Next Generation	129
		-Social Contribution Activities through Corporate Sporting Events	131

KUBOTA Corporation

1-2-47 Shikitsu-higashi, Naniwa-ku,
Osaka 556-8601, Japan
Edited by: ESG Promotion Dept.

Issued in June 2025