For Earth, For Life

Kubota



KUBOTA REPORT 2026

Integrated Sustainability Report of Kubota Group

Editorial Note

With this integrated sustainability report, the Kubota Group is working to comprehensively convey to stakeholders details of its medium- and long-term management strategies and sustainability activities. The goal is to deepen understanding of the Group's approach and progress toward enhancing sustainable corporate value.

This report is divided into two sections: An integrated reporting section that includes messages from the CEO and other members of the management team as well as the Group's thoughts on creating value through such means as Mid-Term Business Plan 2030, and an ESG reporting section that summarizes the Group's environmental-, social-, and governance-related initiatives. In structuring the report in this manner, we hope to systematically convey the connection between our management strategies and ESG initiatives as a holistic picture.

Moving forward, the Kubota Group remains committed to the transparent disclosure of information as we strive to consistently contribute to society.

Period covered by the KUBOTA REPORT 2026	**From January 2025 to December 2025** Notes: - Matters outside the above period are partially included. - An updated edition is published annually, with the next issue scheduled for publication in mid-2027.
Scope of the KUBOTA REPORT 2026	**In principle, the entire Kubota Group is covered.** Note: Some statements may refer to the Company on a non-consolidated basis.
Guidelines Referenced	**GRI Standard, ISO 26000, SASB Standard, The International Integrated Reporting Framework**
Internal Control	**Information presented in this report was discussed and authorized by members of the Financial Information Disclosure Committee, including the Chief Business Planning Officer (CBPO), the Chief Compliance & Quality Officer (CCQO), and the director in charge of sustainability.**

Main information disclosure tools

Main information disclosure tools	Details
Kubota's corporate website	A website that provides comprehensive information on the Kubota Group.
KUBOTA REPORT 2026 Integrated Sustainability Report of Kubota Group	In addition to a company overview and details of the Group's principles and policies, a report that provides information on the Kubota Group's approach to management strategies from a medium- to long-term perspective and initiatives as well as steps taken by individual ESG concern in a comprehensive manner. **Integrated reporting** **Profile** / **Value creation** **ESG reporting** **Environment** / **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.

Adoption of a Chief Officer (CxO) system

Kubota Corporation adopted a Chief Officer (CxO) system from FY2026. Positions established within the Company are as follows. The CxO title designation is also used in this report.

Chief Executive Officer (CEO): President
Chief Business Planning Officer (CBPO):
General Manager of Corporate Planning & Control Headquarters
Chief Technology Officer (CTO):
General Manager of Research and Development Headquarters
Chief Manufacturing Officer (CMO):
General Manager of Manufacturing Promotion Headquarters
Chief Health & Safety Officer (CHSO):
General Manager of Health and Safety Promotion Headquarters
Chief Compliance & Quality Officer (CCQO):
General Manager of Compliance and Risk Management, QA Headquarters
Chief ICT Officer (CIO):
General Manager of ICT Headquarters
Chief Human Resources Officer (CHRO):
General Manager of Human Resources Headquarters

CONTENTS KUBOTA REPORT 2026

2 Editorial Note

Chapter 1 Integrated reporting

1 Profile

4 Founder's Spirit
5 Corporate Principles
6 Journey of Solving Social Issues
7 The Kubota Group in Numbers
8 Financial Highlights
10 Non-financial Highlights
12 Corporate Information
13 External Evaluations
14 Management

2 Value creation

18 Top Message
24 Mid-Term Business Plan 2030
26 Value Creation Process
28 Message from the CBPO
30 Message from the CHRO
32 Roundtable Discussion with the Chair of the Board of Directors and the Outside Directors

Chapter 2 ESG reporting

1 Environment

39 Environmental Management Basic Policy
43 Environmental Vision
46 Medium- and Long-Term Environmental Conservation Targets and Results
49 Environmental Management Promotion System
51 Mitigating and Adapting to Climate Change
73 Working towards a Recycling-based Society
77 Conserving Water Resources
80 Controlling Chemical Substances
83 Conserving Biodiversity
96 Expanding Environment-conscious Products and Services
99 Environmental Management
105 Environmental Communication
109 Environmental Data
121 Third-Party Assurance of Environmental Report

2 Stakeholders

125 Respecting Human Rights
131 Asbestos Issues
132 Relationships with Customers
143 Relationships with Business Partners
145 Shareholders and Investors
147 Social Contribution Activities

3 Human resources

154 Direction of Human Capital Management
155 (1) From Reactive HR to Strategic and Planned HR
156 (2) Promoting Human Resource Mobility and Expanding Growth Opportunities
158 (3) Creating an Environment That Encourages Employees to Take on New Challenges
160 (4) Building Mechanisms That Embrace Challenge
162 (5) Stronger Organization
163 (6) Individual Growth
166 (7) Promotion of Health & Productivity Management
169 Occupational Health and Safety
174 HR Information and HR Data

4 Governance

183 Corporate Governance
191 Risk Management
193 Compliance
202 Information Security
204 Corporate Principles

206 GRI Content Index
211 SASB Comparison Table
212 ISO 26000 Comparison Table

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.

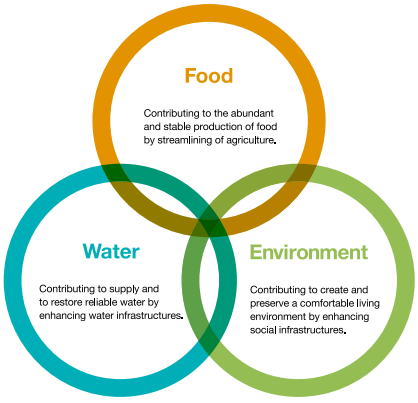
Mission

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

Journey of Solving Social Issues

The Kubota Group has, since the time of its founding, contributed to society in fields that are indispensable for all human beings in the world: food, water, and the environment. This remains the basis of our mission, as we strive to support richer and more fulfilling lives for people while protecting the environment of our beautiful planet, as an "Essentials Innovator for Supporting Life" committed to a prosperous society and the cycle of nature.

1890 – 1950 From Kubota's founding to the chaos in society before and after the war

1951 – 1972 From rapid economic growth to an era of stability

1973 – 2009 From the age of low growth to an era of globalization

2010 – 2016 Further global expansion

2017 – Building a more sustainable society

Founded in 1890

Food

1947 Developed the cultivator



1960 Developed the tractor

1968 Started manufacturing the original model of the modern rice transplanter

1989 Started manufacturing implements in the U.S.

1998 Started the combine harvester business in China



2009 Established the first Japanese-owned tractor production plant in Thailand

2014 Developed the KSAS cloud-based agricultural management support service using ICT and its compatible agricultural machinery

2016 Acquired GPM, a U.S. implement manufacturer



2022 Made the Indian company Escorts a consolidated subsidiary

Water

1893 Started manufacturing iron pipes for water supply

1952 Began manufacturing pumps, as well as centrifugal casting pipes



1960 Completed Japan's first overseas water pipe project in Cambodia

1962 Entered the environmental improvement business (water supply, sewage, etc.)

2003 Actively expanded the overseas business for submerged membrane units



2012 Installed earthquake-resistant ductile iron pipes for the first time in the U.S.

2015 Constructed water treatment facilities in Myanmar

2017 Developed the KSIS smart water infrastructure system using ICT

2019 Developed WATARAS, a farm water management system



Environment

1922 Started manufacturing oil-based engines for agro-industrial purposes



Started manufacturing the compact construction machinery in Germany

1974 Started manufacturing mini excavators

1989 Contributed to the construction of the Tokyo Bay Aqua-Line with steel pipe piles and steel pipe sheet piles

2003 Began operating intermediate treatment facility for industrial waste in Kagawa Prefecture

2011 Became the first company in the world to meet the stage 4 emissions regulations under the U.S. CARB system



Developed a construction machinery fault diagnosis app

2020



2022 Started manufacturing compact track loaders in North America

The Kubota Group in Numbers (as of December 31, 2025)

Since its founding, the Kubota Group has grown along with the development of the country by providing products and services that address social issues. Now, our development and production sites, as well as our partnerships, have expanded to cover the world. Our products and services are tailored to match the characteristics of each region, and are playing their part in solving the issues that face global society.

Japan

Revenue in the region ¥685.2 billion

Group Employees 27,129

Group Companies 58 companies

North America

Revenue in the region ¥1,218.5 billion

Group Employees 7,631

Group Companies 46 companies

Europe

Revenue in the region ¥349.0 billion

Group Employees 4,443

Group Companies 46 companies

Asia

Revenue in the region ¥672.5 billion

Group Employees 12,983

Group Companies 49 companies

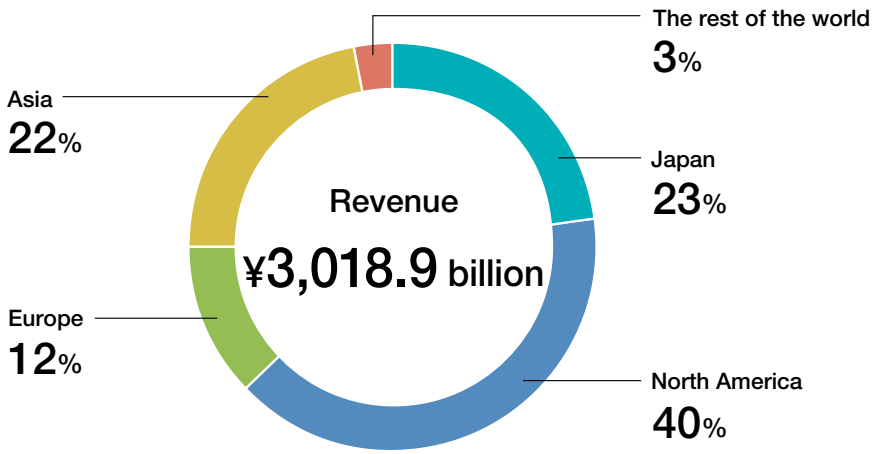
The rest of the world

Revenue ¥93.8 billion

Group Employees 317

Group Companies 9 companies

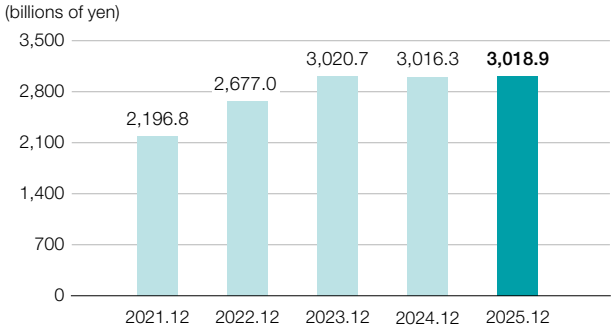
Revenue by Region



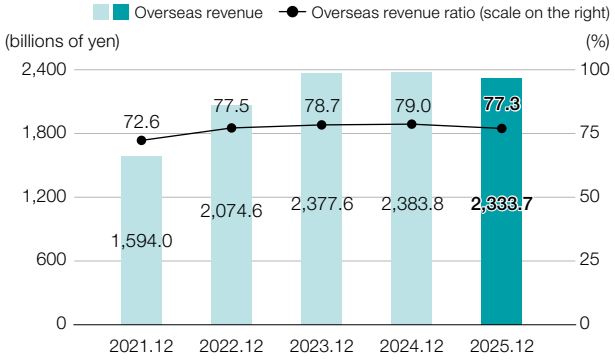
Financial Highlights

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

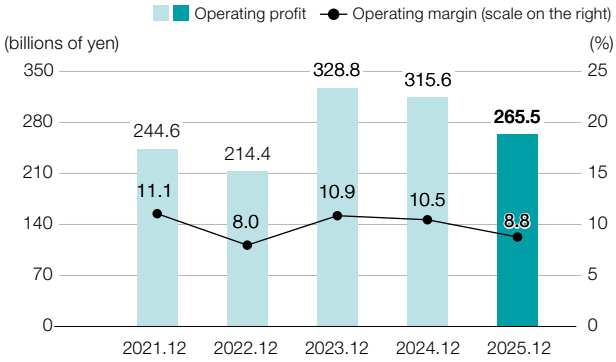
Revenue



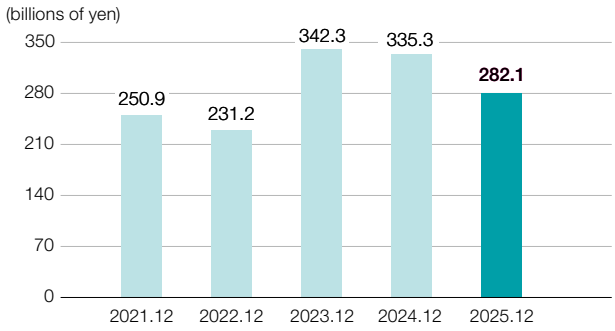
Overseas Revenue and Overseas Revenue Ratio



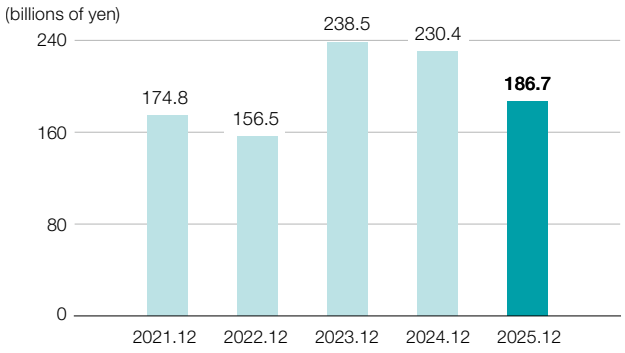
Operating Profit and Operating Margin



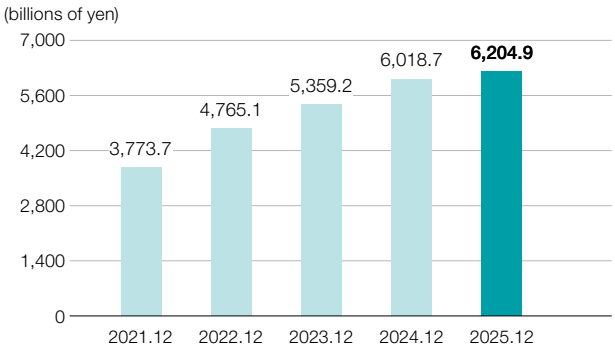
Profit before Income Taxes



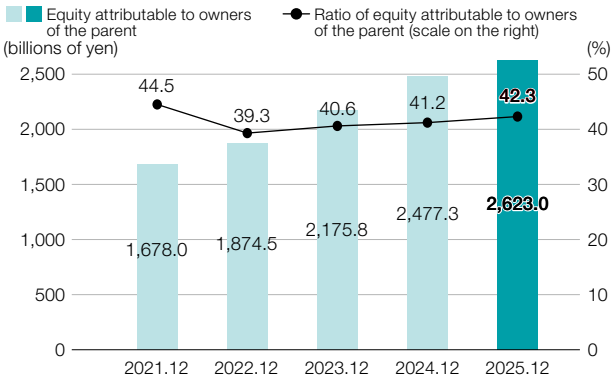
Profit Attributable to Owners of the Parent



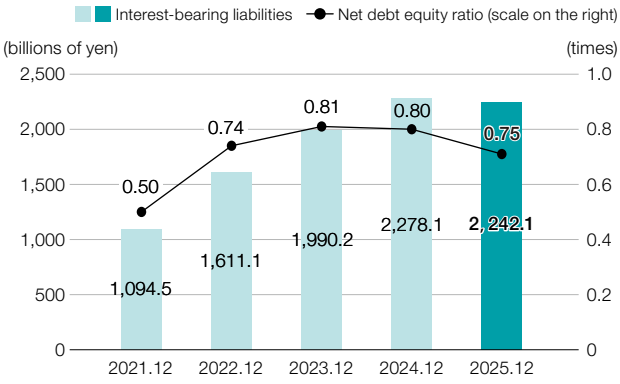
Total Assets



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

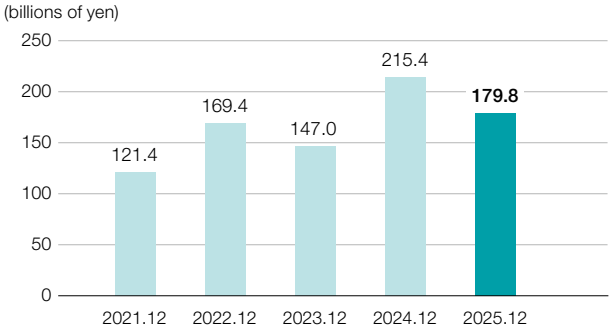


Interest-bearing Liabilities and Net Debt Equity Ratio

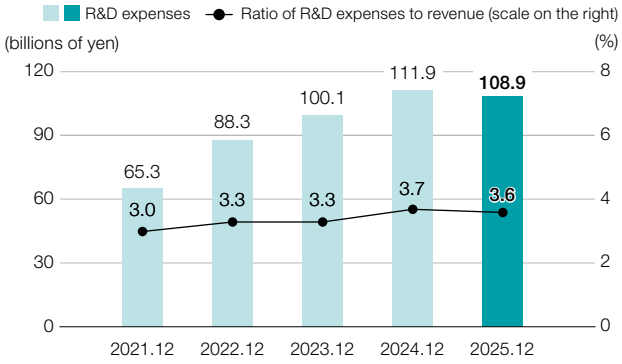


Click here for detailed financial data. Click

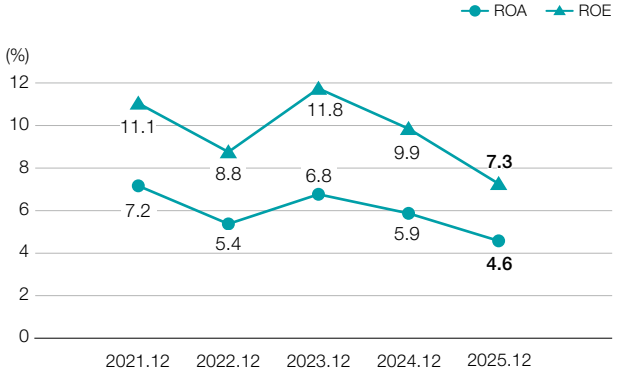
Capital Expenditures



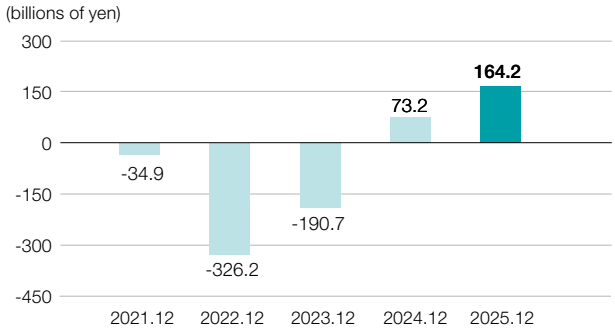
R&D Expenses and the Ratio of R&D Expenses to Revenue



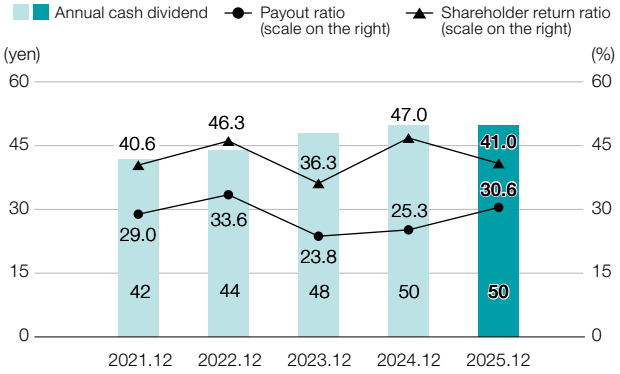
ROA and ROE



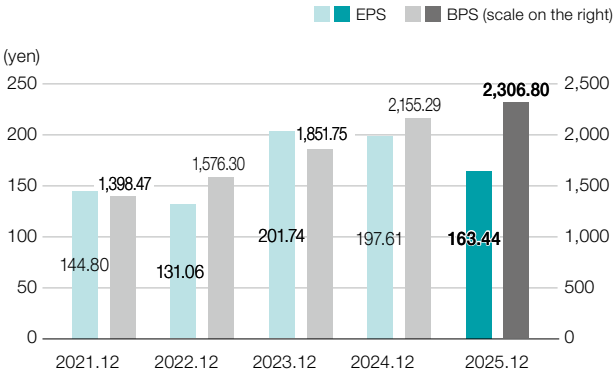
Free Cash Flow



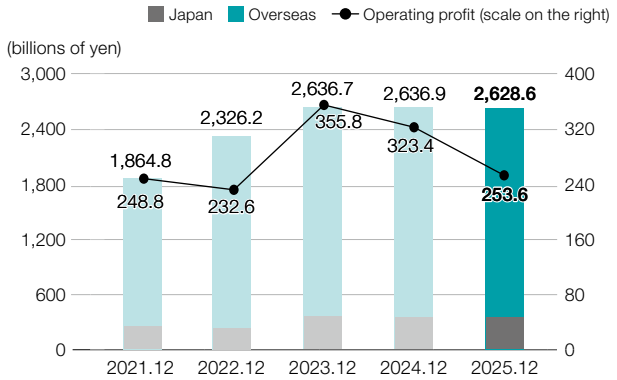
Annual Cash Dividend Per Share, Payout Ratio, and Shareholder Return Ratio



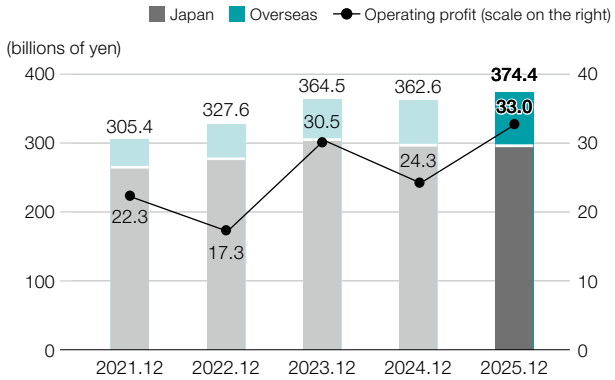
Basic Earnings per Share <EPS> and Equity Attributable to Owners of the Parent per Share <BPS>



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



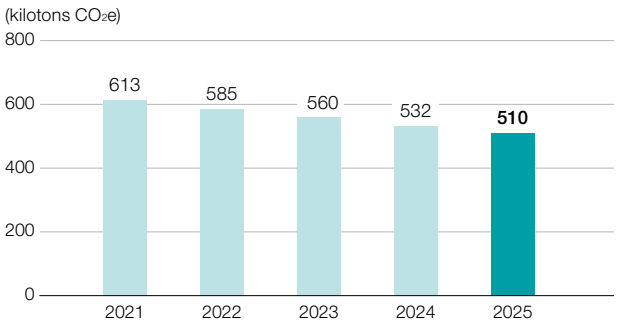
[Water & Environment] Trends in Revenue and Operating Profit



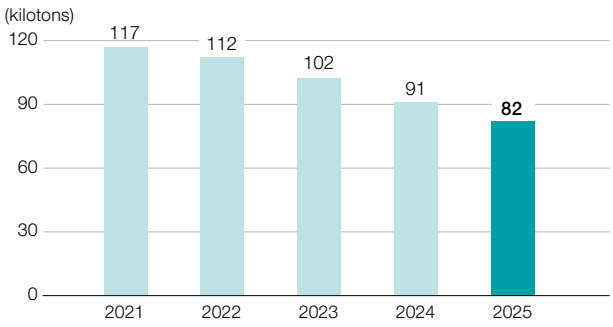
Non-financial Highlights

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

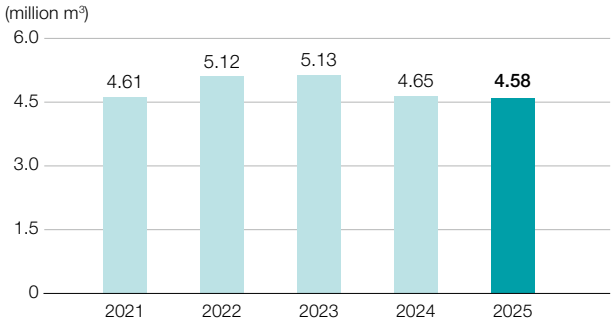
CO_2 Emissions* (Consolidated)



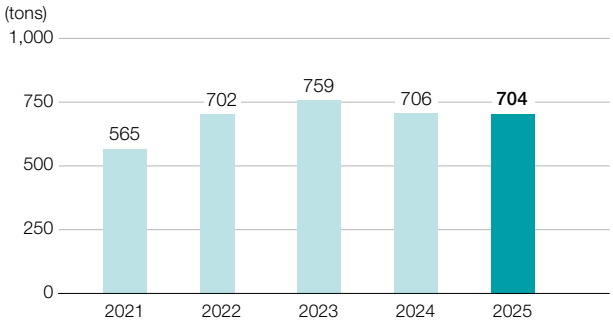
Waste Discharge* (Consolidated)



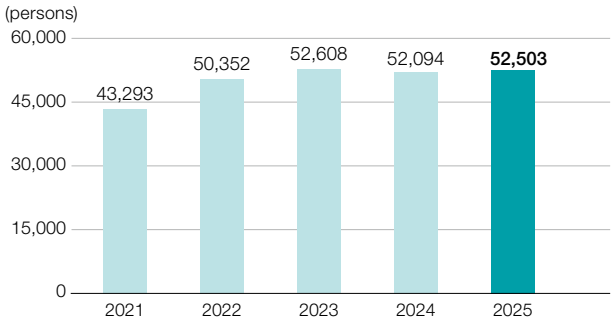
Water Withdrawal* (Consolidated)



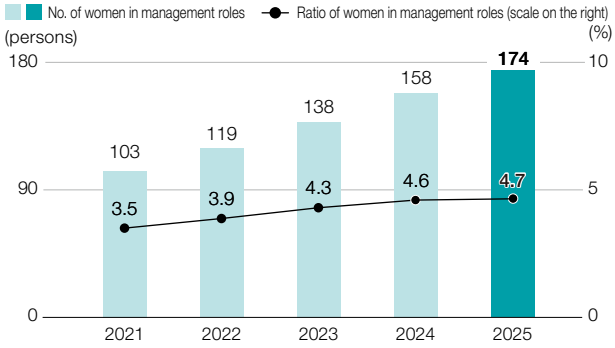
VOC (Volatile Organic Compound) Emissions* (Consolidated)



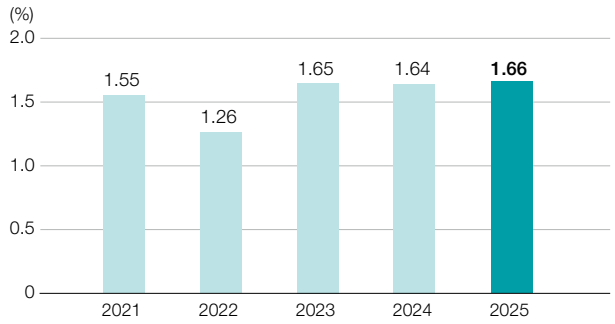
No. of Employees (Consolidated)



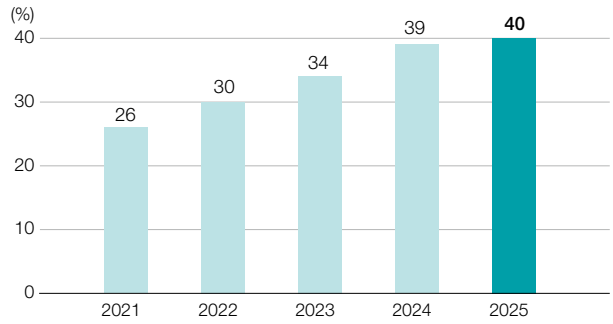
No. of Women in Management Roles (Non-consolidated)



Job Turnover Rate (Non-consolidated)

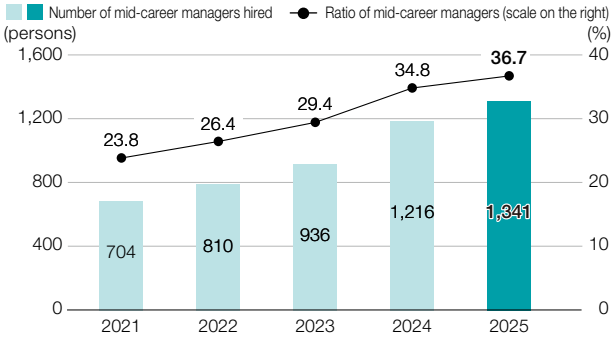


Proportion of Representatives of Sites Outside Japan Being Locals

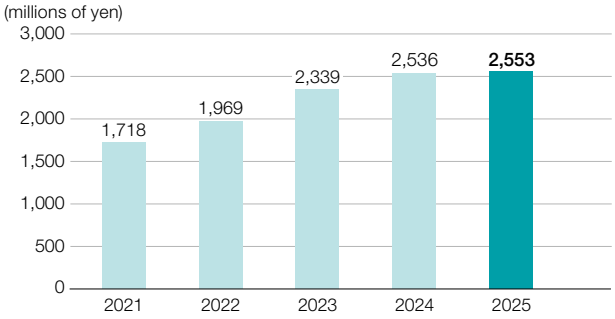


* Please refer to the "Calculation Standards of Environmental Performance Indicators" on p.116 for reporting period environmental data.

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

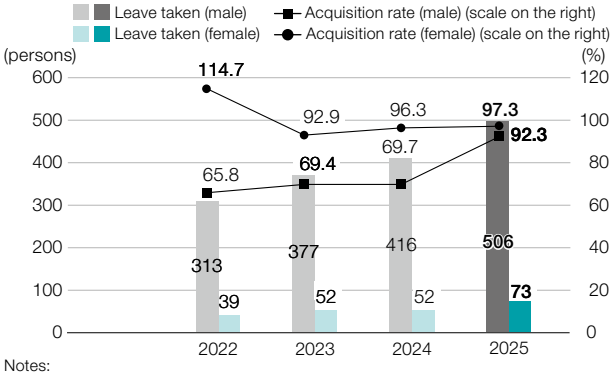


Human Resource Development Expenses (Non-consolidated)



Note: Please refer to "(6) Individual Growth" on p.163 for details on human resource development.

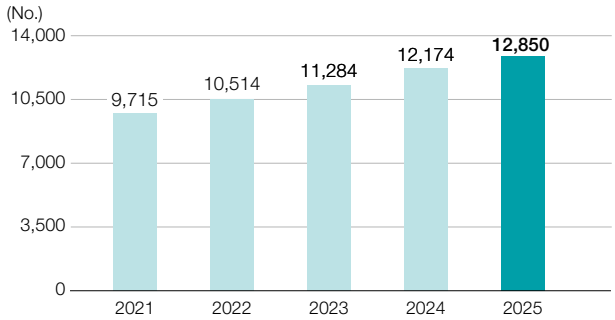
Number of Employees Taking Childcare Leave (Non-consolidated)



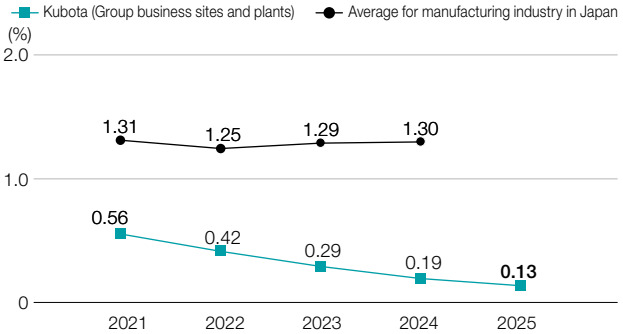
Notes:
- Figures, including those for prior periods, have been calculated and amended in line with calculation methods set by the Ministry of Health, Labour and Welfare based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family 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)

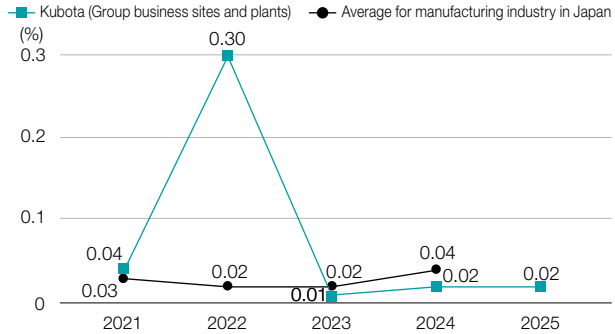


Lost Time Injury Frequency Rate (Kubota Group)



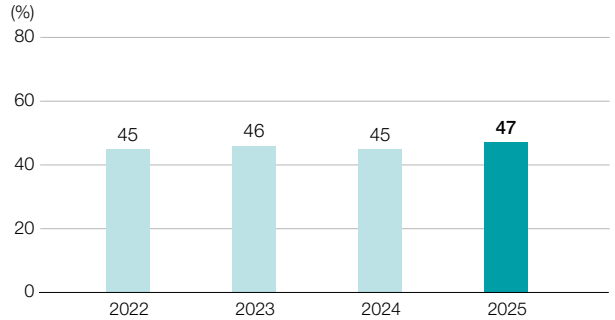
Note: Average values are published on the Ministry of Health, Labour and Welfare (Japan) website.

Severity Rate (Kubota Group)



Note: Average values are published on the Ministry of Health, Labour and Welfare (Japan) website.

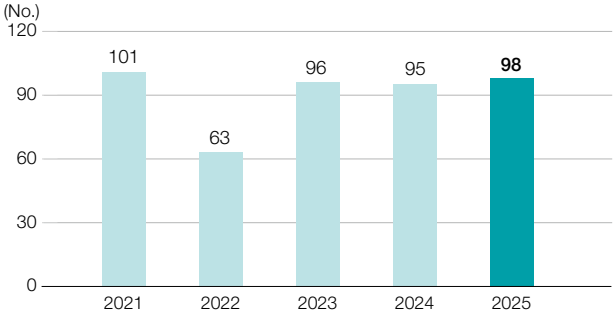
Engagement Score (Entire Kubota Group)



Note: Engagement survey started in FY2021. Please refer to p.159 for details.

Operating Track Record of the Human Rights Relief System (Human Rights-Related Hotline)

(Kubota Corporation and Group Companies in Japan)



Note: The annual number of cases received under the relief system (human rights-related hotline) available to employees of Kubota Corporation and its Group companies in Japan.

Corporate Information

Corporate Data (as of December 31, 2025)

Corporate name:	Kubota Corporation
Established:	1890
Capital:	¥84.1 billion
Total number of shares issued:	1,138,716,846
Number of shareholders:	148,476
Revenue (consolidated):	¥3,018.9 billion
Employees (consolidated):	52,503
Global network:	Over 150 countries
Overseas revenue ratio:	77.3%

Head Office
5-54, Ofukacho, Kita-ku, Osaka 530-8366 Japan
Tel. +81-6-6648-2111
(Relocated in May 2026)

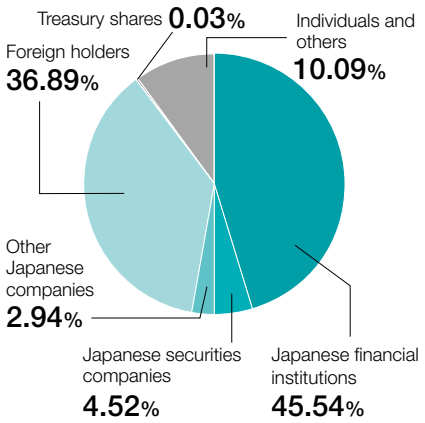
Tokyo Head Office
1-3, Kyobashi 2-chome, Chuo-ku, Tokyo 104-8307 Japan
Tel. +81-3-3245-3111

Share & Shareholder Information (as of December 31, 2025)

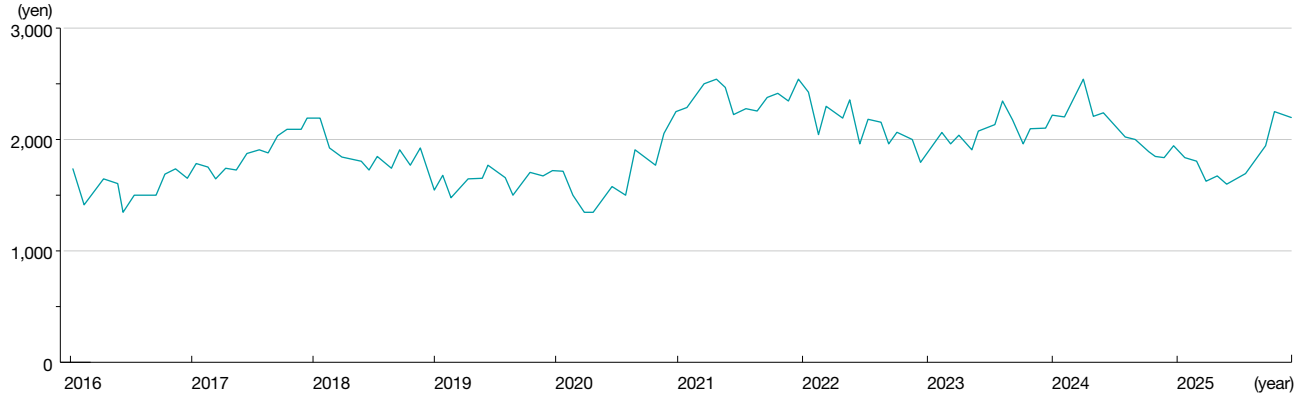
Basic share information

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, 2016–December 31, 2025, on a closing price basis as of the last business day of each month)



10 Largest Shareholders

	Shareholders	Number of shares held (thousand)	Percentage of issued shares (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	172,039	15.11
2	Custody Bank of Japan, Ltd. (Trust Account)	71,250	6.26
3	Nippon Life Insurance Company	62,542	5.49
4	Meiji Yasuda Life Insurance Company	59,929	5.26
5	State Street Bank and Trust Company 505001	27,026	2.37
6	Sumitomo Mitsui Banking Corporation	25,252	2.22
7	Mizuho Bank, Ltd.	22,096	1.94
8	State Street Bank and Trust Company 505103	18,903	1.66
9	Kubota Group Employee Shareholding Association	16,361	1.44
10	National Mutual Insurance Federation of Agricultural Cooperatives	15,503	1.36

Note: Percentage of issued shares is calculated after excluding treasury shares.

External Evaluations

External Evaluations and Praise

Inclusion in ESG Indices

The Kubota Group has been highly evaluated for its ESG initiatives and selected as a constituent of multiple ESG indices in Japan and overseas. Kubota has been selected as a constituent of various rating agencies including the ESG Index adopted by the Government Pension Investment Fund (GPIF). Details can be found on the Company website.

External Institution Rating Click

Certifications and Prizes

■ Certified as a Water Cycle ACTIVE Company for our active initiatives helping to promote water circulation for a second consecutive year

■ Recognized under the 2026 Certified KENKO Investment for Health Outstanding Organizations Recognition Program, organized by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, as one of the White 500

■ Selected as one of the 2026 Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting for two years consecutively

■ All-Terrain platform vehicle KATR Named as Red Dot Design Award 2025

Received the Red Dot Award in the Design Concept category at the prestigious Red Dot Design Award, one of the world's three major design awards* organized by the Design Zentrum Nordrhein Westfalen.



The KATR is a compact, all-terrain vehicle designed to provide a stable platform without tilting the cargo deck. The KATR is well-suited for a wide range of applications, from agriculture and forestry through to construction and even disaster response.

* The three major design awards are the Red Dot Design Award in Germany, the iF DESIGN AWARD in Germany, and the IDEA Award (International Design Excellence Awards) in the U.S.

■ Unmanned, automated combine harvester, the Agri Robot Combine Harvester DRH1200A-A receives the Special Development Award from the Japanese Society of Agricultural Machinery and Food Engineers (JSAM) in FY2025

The Japanese Society of Agricultural Machinery and Food Engineering has established the "Development Award" to recognize products and technologies that contribute to the advancement of agricultural and food engineering. The product or technology receiving the highest accolades is honored with the "Special Development Award." Against the backdrop of a declining and aging agricultural workforce, the Company's development of technology enabling unmanned, automated harvesting was recognized as an outstanding achievement.



External Economic Activities (Major Participating Groups)

Japan Business Federation
Kansai Economic Federation
Kansai Productivity Center
Osaka Chamber of Commerce and Industry
Japan Agricultural Machinery Manufacturers Association
Agricultural Machinery Fair Trade Council
Japan Land Engine Manufacturers Association
The Japan Society of Industrial Machinery Manufacturers
Japan Sewage Treatment Plant Constructors Association
Japan Sewage Works Association
Federation of Japan Water Industries, Inc.

Management (as of March 19, 2026)

Directors and Senior Executive Officers



Yuichi Kitao

Chairman and Representative Director

Shares owned: 172,777 | Time in office: 11 years and 9 months

Committee activity:
Chair of the Board of Directors, member of the Nomination Advisory Committee and Compensation 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
Jan. 2026: Chairman and Representative Director (to present)



Shingo Hanada

President and Representative Director, CEO

Shares owned: 26,640 | Time in office: 3 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, GM of Farm and Industrial Machinery Consolidated Div., GM of Innovation Center
Jan. 2026: President and Representative Director, CEO (to present)



Nobushige Ichikawa

Director and Senior Managing Executive Officer, Chief Technology Officer (CTO)

GM of Research and Development HQ, GM of Technology Development Promotion Unit, GM of Kubota Global Institute of Technology

Shares owned: 22,721 | Time in office: –

Apr. 1990: Joined Kubota Corporation
Apr. 2015: GM of Vehicle Base Technology Engineering Dept., GM of Vehicle Base Technology R&D Office of Vehicle Base Technology Engineering Dept., GM of Design Office I of Compact Tractor Engineering Dept.
Apr. 2017: GM of International Development Office of Vehicle Base Technology Engineering Dept.
Jan. 2018: GM of Farm Machinery Engineering Europe Dept., GM of Office II of Farm Machinery Engineering Europe Dept.
Jan. 2019: Senior Executive Officer of Kubota Corporation, President of Kubota Europe S.A.S. (France), Vice President of Kubota Holdings Europe B.V. (Netherlands)
Jan. 2022: GM of Compact Tractor Div. of Kubota Corporation
Jan. 2023: Deputy GM of Tractor Div.
Jan. 2024: Managing Executive Officer, GM of Tractor Div., Deputy GM of Research and Development HQ, GM of Tractor Engineering Management Unit
Jan. 2025: Deputy GM of Innovation Center
Jan. 2026: Senior Managing Executive Officer, Chief Technology Officer (CTO) (to present), GM of Research and Development HQ (to present), GM of Technology Development Promotion Unit (to present), GM of Kubota Global Institute of Technology (to present)
Mar. 2026: Director and Senior Managing Executive Officer (to present)



Takanobu Azuma

Director and Senior Managing Executive Officer, Chief Manufacturing Officer (CMO)

GM of Manufacturing Promotion HQ, GM of Farm and Industrial Machinery Global Operating HQ, GM of ASEAN Farm and Industrial Machinery Strategy and Operations HQ

Shares owned: 27,779 | Time in office: –

Apr. 1990: Joined Kubota Corporation
Jan. 2014: GM of Manufacturing Engineering Dept. of Sakai Plant
Apr. 2014: GM of Manufacturing Promotion Dept.
Apr. 2015: GM of Agricultural and Construction Machinery Manufacturing Dept. of Sakai Plant
Jan. 2019: GM of Sakai Plant, GM of Sakai Training Center
Jan. 2020: Senior Executive Officer of Kubota Corporation, President of Siam Kubota Corporation Co., Ltd. (Thailand), President of Kubota Research and Development Asia Co., Ltd. (Thailand)
Jan. 2023: Executive Vice President of Kubota North America Corporation (USA)
Jan. 2024: Managing Executive Officer of Kubota Corporation, Deputy GM of Manufacturing Engineering HQ, Deputy GM of Farm and Industrial Machinery Strategy and Operations HQ
Jan. 2025: Deputy GM of Farm and Industrial Machinery Consolidated Div., GM of Farm and Industrial Machinery Manufacturing HQ, GM of Manufacturing Engineering Unit
Jan. 2026: Senior Managing Executive Officer, Chief Manufacturing Officer (CMO) (to present), GM of Manufacturing Promotion HQ (to present), GM of Farm and Industrial Machinery Global Operating HQ (to present), GM of ASEAN Farm and Industrial Machinery Strategy and Operations HQ (to present)
Mar. 2026: Director and Senior Managing Executive Officer (to present)



Wataru Kondo

Director and Senior Managing Executive Officer

GM of Water and Environment Infrastructure Consolidated Company, GM of Tokyo Head Office

Shares owned: 20,009 | Time in office: –

Apr. 1988: Joined Kubota Corporation
Apr. 2013: GM of Human Resources Dept.
Jan. 2021: Executive Officer, Deputy GM of Human Resources and General Affairs HQ
Jan. 2022: GM of Water and Environment Infrastructure Management Dept., GM of Water and Environmental Infrastructure Compliance Dept.
Jan. 2024: GM of Water and Environmental Infrastructure Management HQ
Jan. 2025: Managing Executive Officer, GM of Water and Environment Infrastructure Consolidated Company (to present), GM of Tokyo Head Office (to present)
Jan. 2026: Senior Managing Executive Officer
Mar. 2026: Director and Senior Managing Executive Officer (to present)

Note: Shares owned is correct as of December 2025, time in office is correct as of March 2026.

Outside Directors



Yutaro Shintaku
Outside Director

Shares owned: 16,341 | Time in office: 8 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: 13,247 | Time in office: 5 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: Outside 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: 8,191 | Time in office: 3 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-full-time, non-executive) (to present)



Yuri Furusawa
Outside Director

Shares owned: 8,143 | Time in office: 1 year

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: 483 | Time in office: 1 year

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
Oct. 2021: Co-chair of Japan Climate Leaders' Partnership (JCLP)
Apr. 2023: Representative Director and Chairperson of Ricoh Company, Ltd.
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)
Apr. 2025: Director and Chairperson of Ricoh Company, Ltd. (to present)
Jul. 2025: Representative Director of Japan Climate Leaders' Partnership (JCLP) (to present)

Note: Shares owned is correct as of December 2025, time in office is correct as of March 2026.

Audit & Supervisory Board Members



Masashi Tsunematsu

Audit & Supervisory Board Member

Shares owned: 9,220 | Time in office: 4 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: 34,669 | Time in office: 2 years

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)



Hideki Mori

Audit & Supervisory Board Member

Shares owned: 23,763 | Time in office: –

Apr. 1989: Joined Kubota Corporation
Oct. 2010: President of Kubota Engine (Shanghai) Co., Ltd.
Oct. 2013: GM of Engine Global Marketing Dept. I of Kubota Corporation
Oct. 2016: President of Kubota Engine America Corporation
Jan. 2020: Senior Executive Officer of Kubota Corporation, GM of Customer Solutions Div., GM of Customer Solutions Div., Business Strategy Planning Dept.
Jan. 2021: GM of Customer Solutions Div.
Jan. 2024: GM of Agricultural Implement Div.
Jan. 2026: Deputy GM of Farm & Groundcare Equipment Div.
Mar. 2026: Audit & Supervisory Board Member (to present)

Outside Audit & Supervisory Board Members



Yuichi Yamada

Outside Audit & Supervisory Board Member

Shares owned: 9,200 | Time in office: 6 years

Committee activity:
Observer of the Nomination Advisory Committee and 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 LLC
Jul. 2015: Chairman of Tokyo Partners Meeting of KPMG AZSA LLC
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: 6,637 | Time in office: 4 years

Apr. 1987: Registered as an attorney at law of Japan, Joined Showa Law Office
Jan. 1994: Registered as an attorney at law of New York State (USA)
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: 800 | Time in office: 1 year

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)

Note: Shares owned is correct as of December 2025, time in office is correct as of March 2026.

Executive Officers

Senior Managing Executive Officers

Nikhil Nanda

Katsuhiko Yukawa

Managing Executive Officers

Hirohiko Arai

Mampei Yamamoto

Shinichi Fukuhara

Tomohiro Iitsuka

Junji Ota

Hideo Takigawa

Takashi Ichikawa

Toshiyuki Taneda

Hitoshi Sasaki

Satoshi Suzuki

Executive Officers

Hiroyuki Tanihara

Shiro Watanabe

Todd Stucke

Hiroyuki Araki

Yoshifumi Makino

Tadahito Suzui

Koichi Nakagawa

Kazunori Tani

Yuji Kambara

Shinya Tsuruda

Sumio Morioka

Shinichi Yamada

Koji Wada

Masaya Nishiyama

Keishiro Nishi

Seiji Fukuoka

Junji Takeda

Brian Arnold

Yasuaki Shiomi

Kuninosuke Iwata

Katsuyuki Shutta

Takehito Yahata

TOP MESSAGE



Shingo Hanada
President and Representative Director, CEO
Kubota Corporation

Toward to our next stage of growth with the courage and confidence to embrace change

A company committed to addressing social issues

Since its foundation in 1890, Kubota has situated the core of its business in food, water and the environment — areas vital to human survival — and faced head-on the challenge of finding solutions to social issues. Despite changing times and shifts in society and the increasing complexity that brings to our business operations, our commitment to that mission remains unshakeable. The Kubota of today is the result of a consistent approach that meets great changes in external conditions by working out what society needs in response and providing the answer through its business operations. On becoming CEO in charge of Kubota's business management, what I felt most strongly at first was the immense responsibility of continuing with

our unchanging mission while also evolving so as to pass Kubota safely on to the next generation. However, as well as feeling this heavy responsibility, I have also had reminders of the great potential of Kubota as a company. I sensed this in my earlier time at the sales frontline, when we were inspired by the idea that we could support society by delivering Kubota products and services. I have sensed it again now, since joining the executive team, where I have witnessed how our frontline staff around the world are focused on our customers and on resolving their problems. In each frontline scenario, I have been struck by the great role Kubota has to play, and each time that has renewed my own commitment as a business leader to fulfilling our mission.

The approach I find most important as a manager is to listen to people carefully. By making the effort to visit our worksites and finding out what individual employees and customers really think, I get to identify issues and possibilities that are not apparent from figures and papers alone. Many important management decisions have been based on maintaining constant dialogue with frontline operations. My basic management approach is to always think about how I would respond in the situation and whether there is a better way of doing things, rather than simply being guided by precedent and established practice.

Today, the world stands at a major turning point. Issues such as population growth, advancing urbanization, the ever more serious impact of climate change, emerging resource restrictions, and the increasingly severe labor shortages in both developed and emerging economies are closely interconnected and require more than a single solution. Kubota's business fields, related as they are to food, water and the environment, are at the forefront of these social challenges. The agriculture sector struggles increasingly with an aging workforce and a shortage among the rising generation of farm managers, while global food demand continues to rise. In the water and environment sector, upgrading aging infrastructure and putting in place a disaster-resilient social foundation have become urgent tasks, while initiatives to decarbonize and establish resource recycling have become shared issues across society.

Kubota sees these issues as opportunities for value creation that will enable us to continue contributing to society by combining technology with frontline ability to offer solutions focused on local community and customer issues. That is Kubota's driving purpose and the source of its competitiveness.



Review of the previous mid-term business plan and issues for the next stage of growth

In the fiscal year ended December 31, 2025, revenue maintained a steady level, reaching ¥3,018.9 billion. Operating profit, however, showed a decrease from the previous fiscal year to ¥265.5 billion. The main factors in this were weak demand, particularly in North America, the impact of U.S. import tariffs, and inflation-driven cost increases, which could not be absorbed completely by price revisions and compensating initiatives. On the other hand, we made progress with optimizing working capital, mainly by curbing retail finance receivables and reducing inventories, so that free cash flow showed a significant increase. Moreover, an improved balance of capital expenditures placed our finances on a sounder footing as part of steady progress in laying the foundations for the next stage of growth.

FY2025 was also the final year of Mid-Term Business Plan 2025, a period designated for laying the groundwork toward realizing the Long-Term Vision. We pursued a range of related initiatives, notably ESG management and revenue expansion in existing businesses. While we were able to fulfill our revenue target, operating margin fell short of the 12% target. This highlighted a number of issues: delay in adjusting production to match falling demand, failure to adequately absorb the impact of inflation, and insufficient speed in improving profitability in some businesses. In contrast, great progress was made in cultivating growth drivers for the future. In the North America construction machinery business, we continued enhancing our product range of compact track loaders (CTL), contributing to



steady expansion of our market share. In India, the acquisition of Escorts Kubota Limited (EKL) and initiatives leveraging the strengths of Kubota and EKL reinforced the basic machinery sector and drove growth in export markets. In the water and environment business, meanwhile, we were able to move forward with expansion of the operations and maintenance (O&M) business and solutions delivery through the Kubota Smart Infrastructure System (KSIS) platform.

Building on this progress, we are working to reform profit structure and fundamentally improve capital efficiency under the slogan of Mid-Term Business Plan 2030: Focus & Breakthrough. Learning from the lessons of the past, we will accelerate our business portfolio review and the shift to qualitative growth. In this way, we will move energetically forward with sustainable corporate value increase toward realizing the long-term vision, GMB2030.

Driving business transformation through the three initiatives under Mid-Term Business Plan 2030

Kubota has positioned Mid-Term Business Plan 2030 as a turning point heralding a new growth stage on the way to realizing the long-term vision, GMB2030. During the previous mid-term business plan, which prioritized initiatives reliant on a quantity-focused growth model, issues related to management quality began to emerge in areas such as profitability, cash generation capacity, and capital efficiency. Taking this lesson on board, Kubota decided to make a clear shift from quantity to quality in its management focus. Mid-Term Business Plan 2030 was therefore formulated as a path to achieving sustainable corporate value increase.

Mid-Term Business Plan 2030 adopts the signature phrase “Focus & Breakthrough.” This expresses our strong determination to raise management quality to the next level through transformation based on original thinking not bound by the models of previous success and established practice. To this end, Kubota is driving reform from the twin approaches of business strategy and management foundation, with the central focus on three initiatives.

The first of these is “Selection and concentration of management resources.” By identifying as “growth-driving businesses” areas that promise growth and give maximum leverage to Kubota strengths, we will emphasize strategically focused investment of management resources. Conversely, in businesses underperforming in terms of profitability and competitiveness, rather than attempting all-round business expansion, the approach will be to target sustainable growth through continuous rebuilding and structural reform with the joint aims of addressing social issues and increasing corporate value.

The second initiative is “Strategic financial management with a focus on the balance sheet,” reflecting Kubota’s shift to a management approach that attaches importance not only to profit and loss indicators such as net sales and operating profit, but also to cash generation capacity and capital efficiency. By optimizing working capital, curbing retail finance receivables, and ensuring strict investment discipline, we will lay down a sound and robust financial foundation. At the same time, we will direct



resources strategically to areas that will generate value into the future by rigorously probing the quality of each investment project. By thus fulfilling our management responsibility for the capital entrusted to us, we will work to provide a level of return that consistently exceeds the cost of capital.

The third initiative is to lay down “A robust global foundation to support future growth.” In a business environment marked by dramatic change, it is essential to have not just a strategy, but also the organization and framework to reliably implement it with. Kubota is therefore working to put in place a management structure capable of swift decision-making, to nurture a corporate culture that enables diverse human resources to challenge themselves, and to reinforce the global supply chain against geopolitical risk. Having put in place this foundational structure, we will realize a management system that enables decisions and action to be taken at a level local to our worksites around the world.

Ambidextrous management through balancing deepening and exploring

Mid-Term Business Plan 2030 identifies “ambidextrous management” as an important concept. As social issues and customer needs undergo rapid change, a management approach that leans too heavily toward either raising the competitiveness of existing businesses or creating new value for future business expansion will be unable to realize sustainable growth. Instead, we will seek long-term corporate value by balancing “deepening” to refine existing businesses and “exploring” to create new value.

In terms of deepening, we will concentrate on our existing businesses in construction machinery, agricultural machinery, and the water and environment sector in a drive to enhance the added value of our products, technologies, and services. By shifting to a business model that goes beyond the simple delivery of products to support customers throughout the product lifecycle, and by additionally utilizing frontline data to achieve productivity improvements and expanding the services field, we will continuously boost competitiveness and earnings power. Refining existing business in this way is an initiative that seeks to leverage to the maximum the Kubota strength of capability in technologies and frontline operations and thus create a foundation for steady cash generation.

In terms of exploration, meanwhile, we will strive to create new value that goes beyond the linear expansion of existing businesses. Through smart solutions businesses and other new initiatives, we aim to combine products with digital technology to deliver solutions that directly support customer operations. The aim of these initiatives is not to contribute to short-term profit, but to cultivate future growth pillars by exploring new business models using the insights and the customer base built up in existing businesses.



Instead of deepening and exploration being separated in terms of organizations and timelines, Kubota’s emphasis is on linking these two elements. As well as rolling out to new initiatives the technologies and frontline insights gained from existing businesses, we will also feed the ideas and technologies emerging from exploration back into existing operations. Setting up this cycle will raise competitiveness across the Kubota Group. For us, ambidextrous management is not just a concept aimed at new business creation, but rather the essence of a management approach that will enable continuous evolution across Kubota’s business operations. Mid-Term Business Plan 2030 does not represent a definitive set of goals, but is instead a guideline for ongoing evolution in response to environmental change. Ever mindful of its founding commitment to creating value by addressing social issues, Kubota will work through the three initiatives outlined above, combined with ambidextrous management, to increase the practical effectiveness of management in implementing strategies for sustainable corporate value increase.

Strengthening the foundations for execution

The source of Kubota's competitiveness does not lie in its technologies and products alone. I believe that our greatest asset is in the people who create them and deliver them to society. However ingenious the strategies and plans we draw up, it is our individual employees who we rely on to put them into practice. I recognize that this means investment in human capital should be seen as a core concern of management.

What is important for me in terms of human capital is whether individual employees understand the significance of their own work and take pride in it. As I said before, Kubota's business fields cover areas indispensable to people's lives. But unless an awareness of that is shared all the way down to frontline operations, staff will not feel motivation or a sense of value in their day-to-day tasks. I believe it is management's role to put clearly into words the corporate mission and vision so that each and every employee can own them as a personal concern.

Another thing I consider especially important is dialogue. An organization only works properly if, as well as setting policy from the top down, we listen to voices at the front line and engage continuously in two-way communication. I have always made a point of visiting frontline worksites as much as possible to talk directly with our employees. It has always struck me that Kubota employees take their work very seriously, have a strong sense of responsibility, and put honest effort into whatever task is assigned to them. On the other hand, that serious attitude can sometimes lead to overcautiousness and hesitation in stepping up to new challenges.

That makes it all the more necessary for management to keep communicating clearly the message that taking on





challenges and learning from mistakes is a good thing. A culture that fosters a spirit of initiative and challenge will not take root overnight. One small success will encourage the next and, as long as failure does not attract blame, I think that this cumulative process will lead little by little to change in patterns of behavior within the organization.

One vital element when discussing human capital is respect for diversity. For Kubota with its global business operations, it is essential to create an environment in which human resources with diverse backgrounds and sets of values can participate. As I see it, creating an organization where individual strengths are valued regardless of nationality, gender, age, or career experience will result in improved competitiveness. What is important is not to make diversity an end in itself, but instead to create a situation where management and business benefit from diverse perspectives.

Nurturing next-generation leaders is also an important task. In an era of dramatic change in the business environment, carrying on with the same human resource profile as hitherto is not enough. We need to systematically and continuously cultivate human resources who have a positive attitude to change and can think and act on initiative and deliver results while also involving the rest of the team. We in management will work to create opportunities and environments that nurture human resources of this kind and to encourage a spirit of challenge.

I am also strongly aware of issues in our corporate culture. Among Kubota's strengths are the honest ethic and frontline ability that have been handed down since our founding days.

Nevertheless, the great changes in the social environment mean that there are many established practices in need of review and ongoing change. The important thing is to carefully distinguish between what to change and what not to change. Our founding spirit and our mission of social contribution must remain intact but their realization and organizational embodiment must evolve flexibly with the times.

As a foundation to support this human capital and corporate culture, corporate governance has an increasingly important role. I see governance not as a purely defensive structure, but also as a proactive platform for sustainable value creation. It is when there is a highly transparent decision-making process, clear assignment of responsibilities, and a system of oversight inspiring positive respect that management is able to proceed in the right direction. I believe that the Board of Directors should be a forum for constructive discussion to enhance management quality. Actively taking on board the perspectives and expertise of outside directors enables the executive team to reexamine its judgments in an objective light. Through this process, we can progressively raise the level of management transparency and effectiveness. Strengthening governance is not a way of achieving short-term results, but an important element in supporting long-term corporate value.

Building “One Kubota” through dialogue

Dialogue with stakeholders is also a vital management concern going forward. From investors and customers to business partners, local communities, and employees, Kubota is involved with many diverse stakeholder groups. I think that engaging in earnest with the expectations and concerns of each group and deepening mutual understanding through dialogue will lead to the formation of relationships of trust. I believe that it is important for companies to not simply send information out one-way, but also to listen to voices from the outside and use them as feedback to management.

Specifically, in our dialogue with investors, I place emphasis on giving clear and careful explanations of value creation from a medium- to long-term perspective. This means not just providing information on short-term business performance, but also discussing what kind of social issues Kubota engages with and what strategy it proposes for sustainable growth. By sharing our approach to these areas and the processes involved, I aim to build long-term relationships of trust.

The themes I have discussed so far, from Mid-Term Business Plan 2030 to human capital, governance, and dialogue with stakeholders, are not elements that function independently of each other. It is only by working in a way that is interconnected and mutually complementary that they will unleash the power of “One Kubota.” By thus transcending the barriers between departments and regions and between inside and outside the company, we will join forces in tackling our shared mission. It is,



I think, this sense of unity that will represent Kubota’s most important management asset going forward.

Finally, I would like to tell you about my own resolution. Kubota aspires to continue into the future as a company that makes an ongoing contribution to society in the areas of food, water, and the environment that are essential to human life. That purpose requires that we continue to accept challenges without fearing change. I am committed to taking the lead in management, connecting with the frontline, and engaging in ongoing dialogue in order to open the way to Kubota’s future.

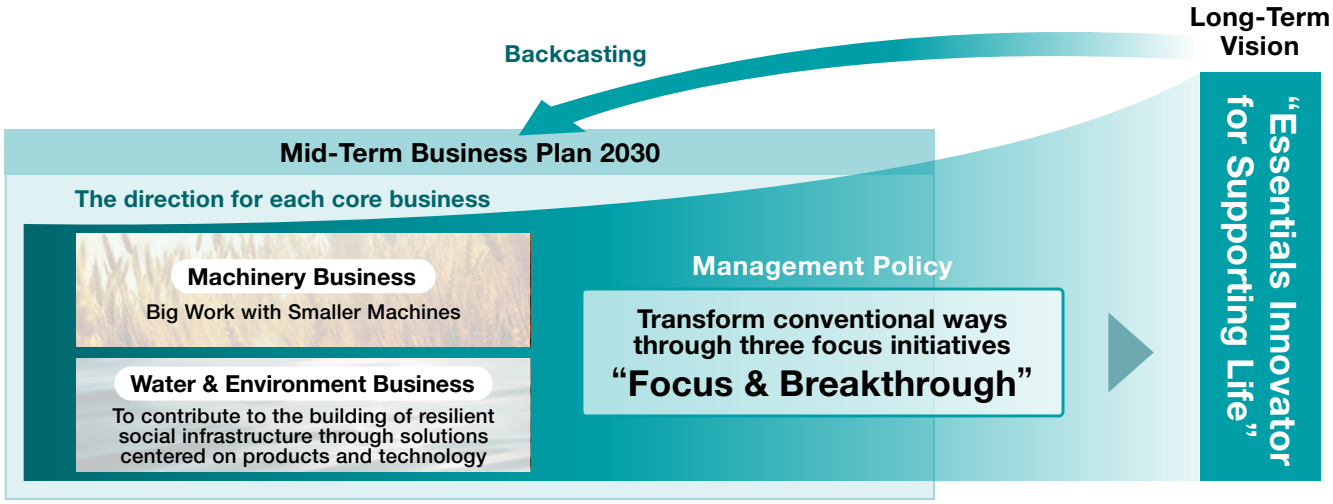
United in the strength of One Kubota, we work to create sustainable value by offering solutions to social issues. Carrying that tradition on unbroken, we will move forward into the next era.

Mid-Term Business Plan 2030

Toward realizing its Long-Term Vision, Kubota has formulated Mid-Term Business Plan 2030. The plan sets out three initiatives based on two core visions, striving to deliver sustainable growth in corporate value.

Mid-Term Business Plan 2030 Outline

"Focus & Breakthrough": Move beyond past successes and drive a "Breakthrough" in corporate value to a higher level through three "Focuses," and aim to maximize sustainable corporate value.



Three Focus Initiatives

1. Concentration: Selection and concentration of management resources

Breaking away from an all-round strategy, we invest our management resources into "growth-driving businesses" where our strengths can thrive in the essential areas of food, water, and the environment. The businesses facing profitability challenges will undergo structural reforms.

2. Financial Discipline: Strategic financial management with a focus on the balance sheet

We prioritize free cash flow and capital efficiency over sales and profits, aiming to achieve a qualitative improvement in management.

3. Global Foundation: A robust global foundation to support future growth

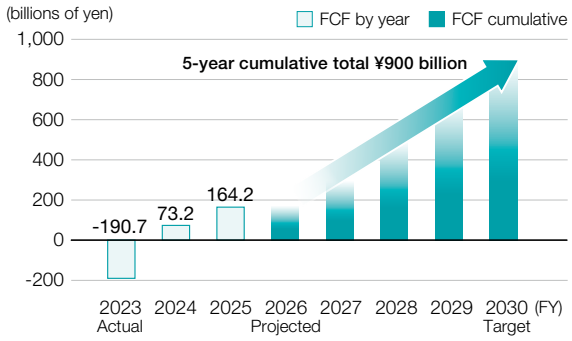
We establish an agile organization and governance system appropriate to the scale of our business. We will strengthen a resilient supply chain, human resources and corporate culture that encourage challenges, and DX (digital transformation) foundation that supports them.

Transforming Conventional Ways (Targets)

Target	2025 results	2030 target
Operating margin	8.8%	**12%**
FCF	¥164.2 billion	**¥900.0 billion** (cumulative total of 5 years)
ROE	7.3%	**12%**
ROIC*	4.2%	**7% or higher**

* ROIC: PAT/ (Shareholders equity + debt with interest)

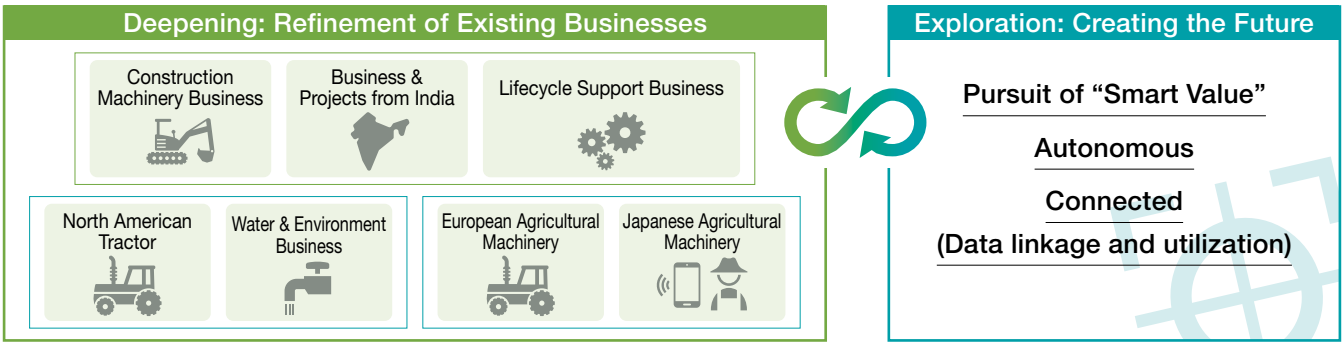
Outline of free cash flow growth



Outline of Each Initiative

(1) Selection and concentration of management resources

"Focus & Breakthrough":
Strengthening and Creating Business through "Ambidextrous Management"



(2) Strategic financial management with a focus on the balance sheet

Expansion of cash flow generation capacity +strategic cash allocation

(1) Maximizing operating cash flow (excluding R&D expenses)

- Improving profitability, reducing working capital, and curbing retail financial receivables

(2) Optimization of investments based on the above cash flows (balancing growth and capital efficiency)

Capital Investment
Strategic allocation of capital expenditure (balanced investment)

R&D Investment
Balanced budget allocation linked to business portfolio strategy

Growth and Strategic Investment in M&A and Other Activities
Prioritise investment in growth areas where high returns are expected

Expansion of FCF creation ability
(900 billion yen over five years by 2030)

FCF Allocation Priorities

- Allocating the generated cash based on clear priorities
- Achieving both business growth and shareholder returns while maintaining financial soundness

1. Stable Dividends
Continued progressive dividends

2. Maintaining Financial Soundness
Control interest-bearing debt balances and stay competitive in financing

3. Proactive Share Buy Back
Flexible execution according to FCF level
Strengthening responses to improve ROE

(3) A robust global foundation to support future growth

Establishing an agile and resilient management system that can support leading business in the global market

"Toward Kubota's unique global management"

We will accelerate decision-making, reform human resources and culture that encourage challenges, and strengthen supply chains to enhance our ability to execute strategies.

Organization and Governance

- **Full-scale introduction of the CxO system:** Under the direction of the CEO, the person in charge of each function (CxO) will take on the responsibility of each function globally. We will increase the speed of decision-making and clarify responsibilities.
- **Introduction of an internal company system:** Strengthen the independence of water and environment business and promote operations independently.
- **Business integration of indirect departments:** Transfer some of the headquarters functions to business units to streamline the organization. Build a system that directly supports the business close to the site.

Human Resources and Corporate Culture

- **Actively utilizing global human resources:** Incorporate worldwide human resources into global strategy and decision-making.
- **Building a culture that encourages challenges:** Evolve a human resources strategy that can assist employees to reinvest the time generated by digital technologies such as AI into the challenges and growth.
- **Evolution of Kubota's unique strengths (DNA):** Accelerate the evolution of the DNA that has generated Kubota's growth so far, and create its new value and business.
- **K-ESG management:** Solving social issues and contributing to a sustainable future.

Global Supply Chain

- **Shift to production at optimal site:** Shift from traditional local production for local consumption to production at optimal site that takes into account costs and risks. It also supports the block economy.
- **Strategic use of the sourcing network of India:** Reduce costs and diversify suppliers.
- **Strengthen risk management:** Diversify suppliers and conduct thorough human rights due diligence in light of geopolitical and economic security risks (such as tariffs).

Value Creation Process

We create value in terms of both economic value and social value, by making efficient and effective use of management capital to solve environmental and social issues by providing solutions in the fields of food, water, and the environment. By providing these solutions, we will become an indispensable part of society as an "Essentials Innovator for Supporting Life," making a range of social contributions to become "Global Major Brand Kubota."

Kubota's Goal / Outcomes

Realizing "Global Major Brand Kubota"

An "Essentials Innovator for Supporting Life,"

Committed to a Prosperous Society and Cycle of Nature

Financial Targets

Operating margin **12%**	Free cash flow **¥900.0 billion (cumulative total of 5 years)**
ROE **12%**	ROIC* **7 % or higher**

Output

Total solutions across all products, technologies and services

- Solutions to promote the circulation of water resources and waste
- Solutions to enhance the productivity and safety of food
- Solutions to improve urban and living environments

* ROIC: PAT/ (Shareholders equity + debt with interest)

Stronger capital

Six Capitals → p.27

- Financial capital
- Human capital
- Intellectual capital
- Manufacturing capital
- Social capital
- Natural capital



Strategy → p.24

Mid-Term Business Plan 2030
"Focus & Breakthrough"

Global Foundation

- Organization and Governance
- Human Resources and Corporate Culture
- Global Supply Chain

The founding spirit of the founder — Corporate principles

Business Environment & Social Issues

Megatrends for Kubota

Achieving both economic growth and resource recycling (Circular economy)	Net zero greenhouse gas emissions (Carbon neutral)
A society where the marginal cost of products is close to zero through recycling and sharing	Formation of new small- and medium-sized community that is not obsessed only with global capitalism

Social issues in the three fields of food, water, and the environment → p.27

Kubota's initiatives to the global food challenge

Forecasts indicate insufficient food resources and fewer agricultural workers, worldwide

Kubota's initiatives in global water challenges

Serious issues in water shortages, floods, and aging infrastructure

Kubota's initiatives to the global living environment challenges

Population growth spurs urbanization, raising demand for better social and industrial infrastructure

Showing Awareness of Social Issues in Business Fields

Kubota's initiatives to the global food challenge

Increasing global population and demand for food

The world's population is heading toward 10 billion.
Concerns of a global food shortage

Global population

2019 8.0 billion › 2050 9.7 billion › 2100 **10.4** billion

Aging farmers and labor shortage

A growing need for agricultural efficiency and higher productivity

Total number of agricultural workers in Japan

2012 1.78 million › 2022 **1.23** million

Kubota's initiatives in global water challenges

Not enough safe water for the world's population

One-fourth of the world's population lives without access to safe drinking water

Global water demand forecasts

2000 › 2050 Approx. **55**% increase (forecast)

Obsolescence: A threat to water infrastructure

Aging water supply, raising the risk of leakage and water damage

Water pipelines beyond legal lifespan in Japan
2006 6% › 2016 **14.8**%

Replaced water pipelines in Japan
2006 0.97% › 2016 **0.75**%

Kubota's initiatives to the global living environment challenges

Rapid urbanization: A global issue

Rapid urbanization boosts demand for better social and industrial infrastructure

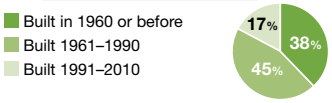
Growing world's urban population

1950 0.8 billion › 2018 4.2 billion › 2050 Approx. **6.7** billion

Heritage cityscapes conservation and aging challenges

Historic cities require the replacement of obsolete infrastructure without damage to priceless heritage

Age of buildings in Europe



Realizing the Goal through Management Capital

Financial capital

The robust financial base that supports the value creation

- Ratio of equity attributable to owners of the parent to total assets: **42.3**%
- Net debt equity ratio (times): **0.75**
- Free cash flow: **¥164.2** billion

Reinforcement measures

The financial structure is a hybrid of the manufacturing and service business and the retail financing business. The first is virtually debt-free, while the latter aims to be self-sufficient—by turning loan claims into securities, which means that, overall, it has a sound financial base. Under Mid-Term Business Plan 2030, by improving profitability, reducing working capital, curbing retail finance receivables, and optimizing investment, the target is to achieve cumulative free cash flow of ¥900 billion over a five-year period.

Human capital

A legacy of talent driving social impact

- Consolidated employees: **52,503**
- Engagement score (Consolidated): **47**

Reinforcement measures

Under the spirit of the founder and the corporate principles, over 50,000 employees are working to create value by solving environmental and social issues. Enhancing the quality of human resources and nurturing a spirit of challenge in the corporate culture are the central points of the human resource strategy. By pursuing it in coordination with the management strategy, the aspiration is to continue creating corporate value as an organization.

Intellectual capital

The global R&D driving innovation

- R&D system based around six global sites (Japan, North America, Europe, Thailand, China, and India)
- Patents held: **12,850**
- R&D expenses: **¥108.9** billion

Reinforcement measures

Alongside the technologies and expertise accumulated through more than 130 years of history, various R&D sites have been operated around the world, including the Kubota Global Institute of Technology, which opened in 2022. Using these, efforts are being made in each region to create innovation that addresses issues identified through the "On Your Side" approach.

Manufacturing capital

The swift, prompt supply of products based on the KPS

- Production sites: **33** worldwide, including **12** in Japan
- Capital expenditure: **¥179.8** billion

Reinforcement measures

In order to reduce lead times, among other goals, production sites have been established in various regions around the world. At the same time, sharing the Kubota Production System (KPS), which forms Kubota's fundamental approach and perspective toward the products at the heart of its manufacturing philosophy, will thoroughly eliminate waste of work and strengthen the entire supply chain. The basic policy of Mid-Term Business Plan 2030 calls for optimal location of production to build a robust and flexible production and procurement structure.

Social capital

The relationship of trust with stakeholders around the world

- Countries of business operation: **150+**
- Brand ranking: **39**th place (Interbrand Best Japan Brands 2026)
  Evaluated brand value: **US $ 1.42** billion

Reinforcement measures

Kubota's businesses have been operated in such as to support relationships of trust with a multitude of stakeholders in worldwide countries, including suppliers, agents, governments, and local residents. By improving transparency and dialogue, stronger relationships will be built to foster the empathy and participation of a broader range of stakeholders.

Natural capital

The environmental management to achieve business growth and environmental conservation

- Water withdrawal: **4.58** million m^3
- Energy consumption: **11,234** TJ

Reinforcement measures

With food, water, and the environment as core business domains, a strong connection with nature is maintained. Therefore, environmental management is implemented to conserve the environment that forms the foundation of business activities, while also pursuing business growth. To realize the Environmental Vision—the target situation toward 2050 from an environmental perspective—systematic efforts are made toward carbon neutrality and resource recycling.

Message from the CBPO



Strategic financial management focused on the balance sheet

Hitoshi Sasaki
Managing Executive Officer
Chief Business Planning Officer (CBPO)

Launch of Mid-Term Business Plan 2030

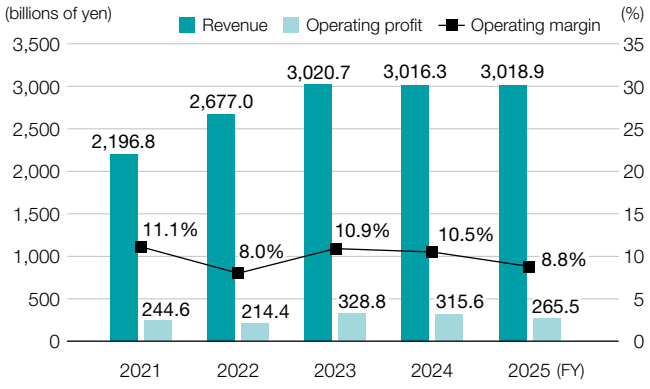
Mid-Term Business Plan 2030 adopts the signature phrase "Focus & Breakthrough," indicating a shift from our previous strategy of all-round market share expansion to instead concentrate management resources on growth-driving businesses that play to Kubota's strengths. By simultaneously emphasizing cash flow generation capacity and capital efficiency rather than simply expanding business scale, we will work for sustainable corporate value increase.

Under the previous Mid-Term Business Plan 2025, revenue was increased under an all-round strategic approach, but this was not accompanied by growth in profitability and free cash flow, with the result that corporate value remained stagnant. I am keenly aware that, to restore the confidence of capital markets and rebuild our strong reputation, it is essential that we reestablish financial discipline.

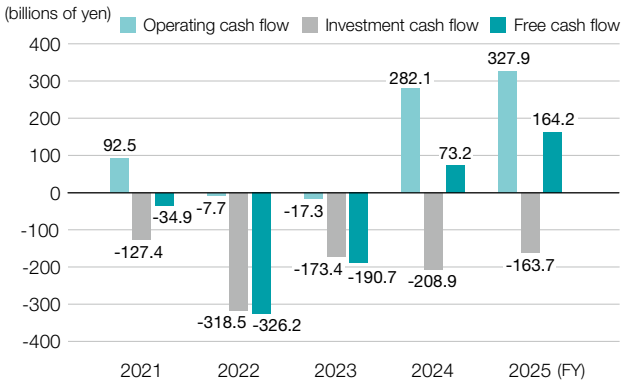
Taking this lesson on board, our new business plan establishes three pillars for improved management quality: selection and concentration of management resources; strategic financial management with a focus on the balance sheet; and a robust global foundation to support future growth. By raising efficiency and at the same time achieving strategic business expansion, we will put in place a structure that enables us to maintain return on equity (ROE) at a level consistently above the cost of equity capital, assumed to be 7-10%.

Firstly, to promote selection and concentration of management resources, we have divided our business portfolio into three categories: growth-driving businesses, value-rebuilding businesses, and structural reform businesses, and are redirecting management resources in a dynamic way toward the first category. Secondly, to address strategic financial management with a focus on the balance sheet, we will target a shift to qualitative management by maximizing operating cash flow and allocating cash strategically. Lastly, in terms of a robust global foundation to support future growth, we will achieve a

Revenue, Operating Profit, and Operating Margin



Cash flow



more agile and robust management foundation by balancing business expertise with company-wide optimization. Having put these three pillars in place, we will progress with sustainable corporate value increase as we fulfill the financial targets of the new mid-term business plan: operating margin of 12%, 5-year cumulative free cash flow of ¥900 billion, ROE of 12%, and return on invested cash (ROIC) of 7% or more.

Of the three pillars, strategic financial management with a focus on the balance sheet is the area that I, as director in charge of finance, am responsible for implementing. In the following, taking on board the lessons of the previous mid-term business plan, I will set out how I aim to restore financial discipline while enhancing cash flow generation capacity and profitability, and explain the resulting policies and concrete initiatives.

Enhancing operating cash flow generation capacity

To achieve sustainable corporate value increase, it is essential to enhance free cash flow generating capacity. To reliably expand operating cash flow, which is the source of free cash flow, we will concentrate efforts on growing highly profitable businesses, improving the profitability of existing businesses, and reducing total assets.

Specifically, in addition to our highly profitable Construction Machinery Business and Lifecycle Support Business, we will focus management resources on Business & Projects from India with their great growth potential. Meanwhile, we will press ahead with structural review of value-rebuilding businesses and structural reform businesses, where profitability is an issue. Additionally, we will exert strict control to address the increase in fixed costs that became an issue under the previous mid-term business plan. To hold the increase in selling, general, and administrative expenses within 3% per year and below the inflation rate, we will work to significantly boost profitability by merging the functions of indirect departments and business units, achieving operational efficiencies, and curbing personnel increases.

Toward reducing total assets, we will implement measures to firstly reduce working capital and secondly curb the increase in retail finance receivables. Toward the first of these goals, we will carry out global optimization of inventories, thereby achieving a 30% cut in the level of product inventory months in the North American market by 2030. To realize the second goal, we will continue to review retail finance programs in the U.S. and shorten the 0% financing term to shift to a sales model that does not rely excessively on incentives. In this way we will shorten the retail finance receivables turnover period and improve the total assets turnover ratio to 0.64 times.

Strategic cash allocation

We will use the operating cash flow thus generated to undertake disciplined and strategic investment.

With capital investment maintained at a steady level of around ¥180 billion a year, we will strengthen Headquarters governance so as to exert rigorous control of cash allocation. This will enable us to direct resources on one hand to growth investment in the North American construction machinery business and our new plant in India, and on the other hand to business maintenance in areas such as safety, quality, and legal compliance. For growth investment, we will set a higher hurdle rate than previously to simultaneously achieve greater investment return. Merger and acquisition activity will concentrate on growth domains, with a flexible approach to large-scale projects including the option of borrowing.

Research and development investment, which forms part of operating cash flow, will be set at a basic level of around ¥100 billion a year and will be coordinated with the business portfolio strategy, with priority given to research themes that promise strong profitability and business viability.

Expanding operating cash flow and undertaking strategic investment will enhance free cash flow generating capacity toward our target of ¥900 billion for cumulative free cash flow in the five years to 2030.

The order of priority for reinvesting free cash flow is as follows: 1. Stable dividends. 2. Maintaining financial soundness. 3. Proactive share buyback. With a view to continuing our progressive dividend policy, we will hold the balance of interest-bearing debt to a level that allows us to maintain our credit rating and thereby remain competitive in finance procurement. As a further measure, we will undertake flexible share buyback to reflect the level of free cash flow, which will also result in improved ROE.

Taking onboard the lessons of the previous mid-term business plan, we will revise the existing approach that emphasizes business volume and market share and move away from target-setting oriented simply toward increasing revenue and profit. Instead, we will shift course to a management approach focused on capital efficiency indicators and emphasizing cash flow generating capacity and capital efficiency. By thus generating a level of return that consistently exceeds the cost of capital, we will work for sustainable corporate value increase.

Valuing insights gained through two-way dialogue with our shareholders and investors, I will continue to direct my utmost efforts to achieving sustainable corporate value creation at a level that satisfies the expectations of our stakeholders.

Message from the CHRO



Strengthening execution capability of management and business strategies through enhancement of human capital

Junji Ota
Managing Executive Officer
Chief Human Resources Officer (CHRO)

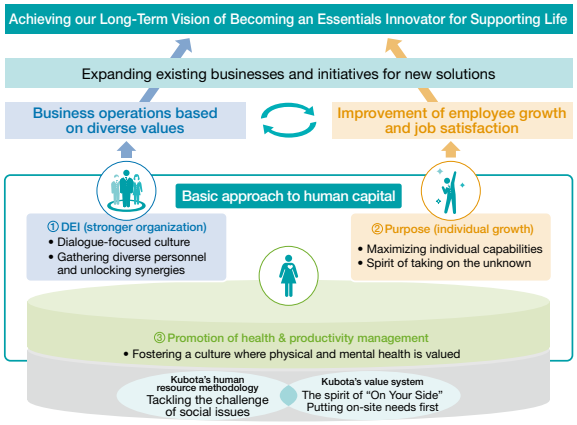
Past initiatives to bolster human capital and future challenges

From 2021 to 2025, Kubota has been working to realize its Long-Term Vision by building a strong foundation for human capital that is guided by its basic approach to human capital, which focuses on Stronger Organization, Individual Growth, and the Promotion of Health and Productivity Management. This has involved expanding recruitment, increasing employee engagement, promoting one-on-one meetings, and providing a framework for diverse work styles. These initiatives have helped establish a human capital foundation capable of supporting business expansion, which has in turn contributed to increased sales.

At the same time, we recognize that further refinement is required in refining our business portfolio to further enhance profitability and create new value. To shift resources toward growing businesses and enhance the profitability of existing businesses, it has become more important than ever not only to secure a diverse workforce but also to maximize the effective use of the necessary expertise and capabilities of our employees for implementing our business strategy. Given this situation, we have entered a phase where we must move beyond simply expanding human capital to meet the increasing volume of our business and instead address more strategic HR challenges that focus on the quality of our workforce and how we utilize them.

Based on this understanding, we will both continue and refine our existing initiatives while advancing our efforts to align human resource placement, development, and the creation of systems and corporate culture with our management and business strategies. By integrating these efforts, we will enhance our ability to execute these strategies.

Basic approach to human capital until 2025



Human capital management that supports Mid-Term Business Plan 2030

Under our Mid-Term Business Plan 2030, we are working to implement our "Focus & Breakthrough" strategy by selection and concentration of management resources, conducting strategic financial management with a focus on the balance sheet, and building a robust global foundation to support future growth. Our goal is to strategically expand our business while improving efficiency as we seek to achieve sustainable growth in corporate value.

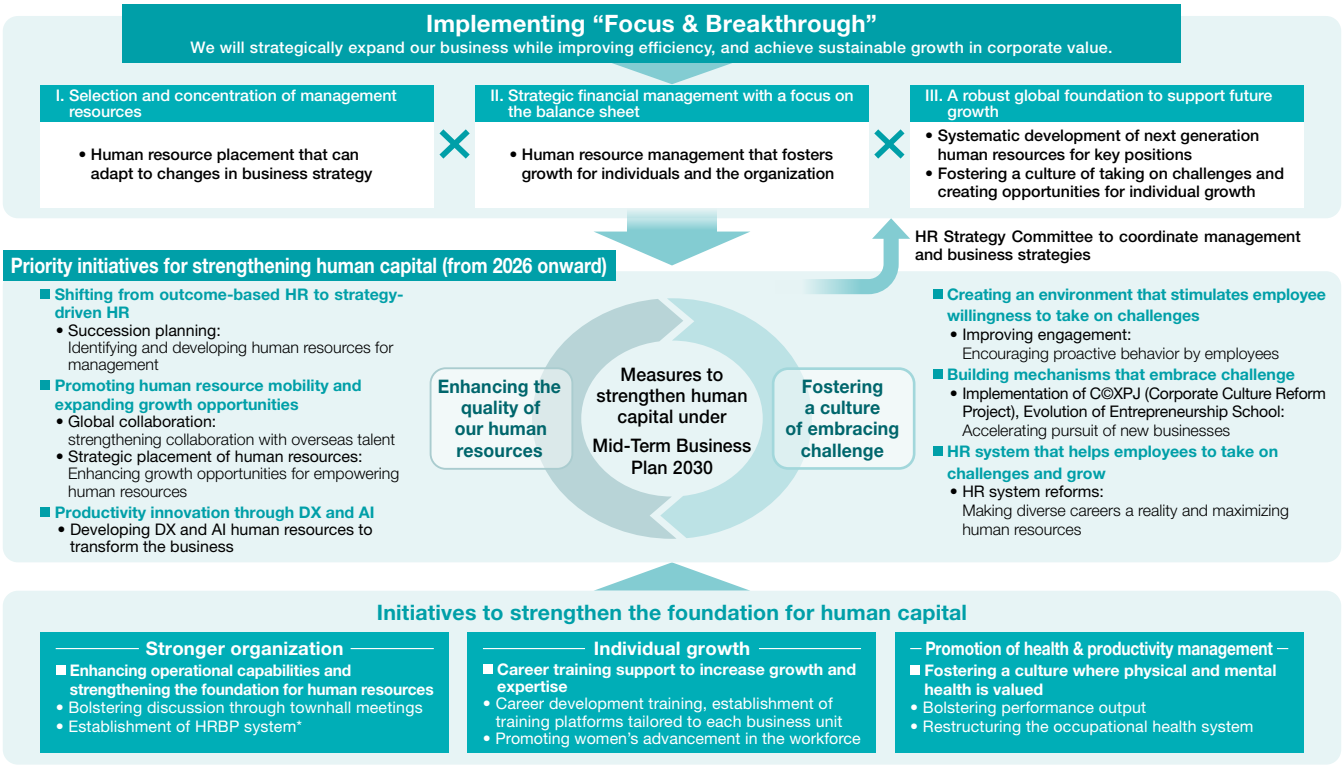
As we work towards realizing these initiatives, it is essential to use the potential of our human resources and enhance our organization's competitiveness. We view human capital not merely as the foundation supporting our business strategy, but as the source of our profitability and competitiveness.

We will enhance the quality of our workforce by transitioning

from an outcome-based HR approach that prioritizes performance and experience to a strategy-driven HR approach that develops and deploys human resources based on business strategy, as well as by increasing collaboration with global talent. At the same time, we will foster a culture of taking on challenges through initiatives to improve employee engagement and projects to reform corporate culture.

Moreover, we will improve our ability to bridge the gap between management strategy and the front lines by continuously strengthening our human capital foundation through pursuing a stronger organization, individual growth, and the promotion of health and productivity management, thereby supporting the achievement of our Mid-Term Business Plan 2030 and sustainable growth from a human resources perspective.

Mid-Term Business Plan 2030 and the connection between human capital and business measures



* HR Business Partner: A human resources partner who works alongside executives and business leaders to provide support in talent and organizational development, helping to drive business growth and achieve goals

Concrete Measures in Human Capital to Support Mid-Term Business Plan 2030

As part of our human capital initiatives to support Mid-Term Business Plan 2030, allow me to explain two key pillars, Enhancing the Quality of our Human Resources and Fostering a Culture of Taking on Challenges, that are essential to advancing our management strategy, along with concrete measures we are taking.

First, regarding Enhancing the Quality of our Human Resources, we will shift toward human resource management aligned with our business strategy and promote the planned development of the next generation of management talent through succession planning. We will also strengthen global talent collaboration and enhance human resource mobility through initiatives such as job rotation and career challenge programs, providing diverse growth opportunities to build a human resource foundation capable of adapting to changes in the business environment. Additionally, we will raise the overall level of digital skill by developing DX and AI human resources, and we will promote the development of human resources who will drive the advancement of operations and the creation of new value.

Next, regarding Fostering a Culture of Taking on Challenges, we will implement initiatives to boost employee engagement, thereby encouraging proactive behavior among each employee. At the same time, we will advance initiatives such as the Corporate Culture Reform Project (C©X-PJ) and the Entrepreneurship School to cultivate an organizational culture that supports efforts to create new value. Furthermore, through reforms to our personnel systems that will enable diverse career paths and expand growth opportunities, we will promote the full utilization of individual capabilities and encourage employees to take on new challenges.

By implementing these initiatives and advancing our business and human resources strategies in tandem, we will increase our ability to realize Mid-Term Business Plan 2030 and continue transforming our organization into one that consistently creates corporate value.

Roundtable Discussion with the Chair of the Board of Directors and the Outside Directors

With the formulation of Mid-Term Business Plan 2030, Kubota has reached a major turning-point in its management operations. Underlying this was a change in the quality of discussion at both the Board of Directors and the Value Up Discussion Meeting (VUDM: a forum for discussing ways of promoting sustainable corporate growth and medium- to long-term corporate value increase). In the following, the Chair of the Board of Directors and the outside directors exchange opinions from their respective standpoints on how the Mid-Term Business Plan was discussed, how it came to be formulated, and how they intend to realize the plan's goals under the new management structure. After discussing these changes, they go on to address Kubota's future challenges.



How does Kubota's Board of Directors need to evolve to fulfill the Mid-Term Business Plan?

Announced in February 2026, Mid-Term Business Plan 2030 marks a major shift of course from the traditional quantity-focused growth model to a management approach emphasizing the balance sheet and capital efficiency. In the formulation of the Mid-Term Business Plan, what kind of discussions took place at the Board of Directors and other corporate bodies?

Furusawa In addition to the Board of Directors, Kubota operates a meeting body with the same members known as the VUDM, which was established in 2021, the year when I became an outside audit & supervisory board member. At first,

its discussions centered on deepening the members' understanding of Kubota's business as a first step to enhancing value. Later, we held successive discussions on our visions for the Board of Directors and issues significant for corporate value increase. This has now developed into the setting of an annual agenda for the discussion of key areas of the management strategy. Throughout this process, the outside directors repeatedly underlined the importance of a management approach focused on capital efficiency and the cost of capital. At the time, Kubota's management was still geared heavily toward revenue, profit, and market share, which meant that it had some catching-up to do in order to fully grasp the new approach. Nevertheless, the series of discussions that followed seemed to bring about a gradual acceptance of an approach that also focused on indicators such as return on invested capital (ROIC). In my analysis, it was these repeated rounds of discussion that paved the way for the current Mid-Term Business Plan and the shift to balance sheet-focused management.

Arakane I have served as an outside director since 2021, when the VUDM was initiated. In the beginning, I sensed a strong commitment to supporting Kubota based on an understanding of its corporate culture and business. At a certain point, however, that attitude was replaced by a realization of the need to communicate more clearly our view of how Kubota should equip itself to face the future. Since then, our contributions have increasingly come from a different perspective. At first, they did not always resonate with the executive team, but with persistent repetition, they came to be gradually reflected in management actions and statements. I feel the last year has marked a major turning point that is reflected in these visible changes.

Kawana When I first received an explanation of the Mid-Term Business Plan at the VUDM, it seemed to be centered on business figures. Quite frankly, from the viewpoint of an outside director, it was hard to see its advantages or grasp its basic principles. However, as the discussions progressed, I noticed a shift: we started talking about the rationale behind certain targets and also discussing the human resources and technologies needed to achieve them. In addition, it felt as though risk considerations were also becoming more thoroughly incorporated. The VUDM played an important role in that process, not only because of the opinions presented from diverse perspectives by the outside directors, but also because the meetings were an opportunity to acquire in-depth business knowledge. These repeated encounters provided a forum for discussion on equal terms between outside and inside officers, which I feel raised the quality of discussion. In my understanding, it was out of this environment that the current plan evolved, with its focus on the perspective of the capital markets.

Shintaku In the process of formulating the Mid-Term Business Plan, various discussions developed at the VUDM, but it was hard to discern the overall outline at first, and I was concerned about how the different strands could be tied together. Ultimately I think the executive team have come together in a very solid form to produce a highly positive result. On that point, I would like to ask Mr. Kitao how they managed to bring the different elements into a cohesive whole.

Kitao The VUDM engaged in wide-ranging discussions over a one-year period. However, in financial strategy and related areas, my sense was that a shared understanding had still not been reached. The executive officers then met for repeated rounds of discussion, taking into account the perspectives of the outside directors and investors, but even as late as November 2025, the content was still lacking. Subsequently, CEO Shingo Hanada and CBPO Hitoshi Sasaki assumed the central roles under the new management structure and sought to cut through the constraints that had built up by tackling the discussion points from a different angle. I believe it was this revised approach that cleared the way to the new Mid-Term Business Plan. To a large extent, the plan broke with an approach that had held sway for many years, and the discussions at the VUDM provided the momentum for that.

Yamashita It is around a year now since my appointment as outside director. As a basis for discussing the Mid-Term Business Plan at the VUDM, I needed to understand the current situation and future outlook for each of Kubota's businesses, and at first I thought that my long years of manufacturing industry experience at Ricoh would be relevant due to the



similarity of their businesses. But in fact, the two business models are completely different, so my thinking had to change considerably. In particular, when we talked about Kubota's retail finance business model in North America, I was quite frankly amazed at this system and how it extended the cash conversion cycle and led to capital stagnation. With the benefit of this insight, I can see the great significance of the change in direction under the new Mid-Term Business Plan to an approach that seeks to increase capital efficiency rather than quantity and make optimal use of capital assets.

On the question of management to increase capital efficiency, there had been discussion of ROIC from an earlier date. For me, however, ROIC is not just another management indicator, but should be the subject of detailed analysis using ROIC trees and other tools to show how the activity of each individual employee feeds into corporate performance. That makes it important for employees to be able to own ROIC as a personal concern. By visualizing management indicators so they can be read at a glance like on a dashboard, you can enable individuals to track key performance indicators and see for themselves how their personal contribution is reflected. I think that will lead to reform of the corporate culture.

Kawana Going forward, it will be necessary to rigorously monitor the implementation of the new Mid-Term Business Plan. I think the Board of Directors needs to be proactive in checking how the stated content is being implemented in practice, whether it is actually progressing as intended, and whether there are any hindering factors. We should maintain ongoing discussion of these points, adding leverage where needed, which I believe will speed up the implementation of the plan and facilitate its fulfillment. Meanwhile, given the emerging developments in the international situation and the many other risk factors, I would like to see relevant response measures and initiatives for human resource growth going forward.

The change in the executive team in January 2026 saw Shingo Hanada appointed as president and representative director, CEO. What were the processes and discussions that lay behind the appointment of the new executive team?

Shintaku When it comes to executive succession, it often turns out that following a textbook-type format does not work. At Kubota, I feel a major driver was the fact that the previous president, Mr. Kitao, was himself committed to changing the way the Board operates. As a result, there was an injection of new human resources and positive changes emerged in its functioning. The inside directors who retired in March 2026 were highly significant figures in terms of human resources, but the decision to instead bring in a younger generation with a view to the future marked a major departure and can, in my opinion, be evaluated as a positive move overall.



Kitao One of the first issues I sensed as a business leader was that, in our discussion of the Mid-Term Business Plan, adapting to the new management style that emphasized capital efficiency would be difficult if we stuck to our existing response pattern. Because of this, I came to the increasingly strong realization that we needed to face the coming era with a new management structure. Rather than driving this reform myself, I thought it would be better to entrust it to a new generation. For the handover, I set aside a preparation period of one year, during which we progressed with the transition to the new structure, supporting the process with continuous and thorough discussion. Ultimately, it was Mr. Hanada, with his extensive business expertise gained primarily in the tractor business and his management experience in Group companies in North America and Europe, who took the central role under the new management structure in successfully implementing the reform. In my judgment, we have been able to achieve the transition in a form that is on the whole close to what we envisaged.

Yamashita Initially, I had the impression that an adequate structure for succession had not been put in place. Looking

back, however, I can see that, although it may not have been a textbook-type process, the work of nurturing the next generation of executive human resources was indeed in progress. I was able to convince myself of that when I had the opportunity as a member of the Nomination Advisory Committee to interview and assess a number of the candidates who emerged. So I would say that, although there are some issues, the process works in practice and led to a successful conclusion.

Arakane I realize that Kubota has not had a clearly set-out succession plan in the past. Going forward, it needs to put in place a succession plan that provides a shared approach and process for identifying successors. Kubota should draw lessons from the recent process to examine a more graduated approach, with due support provided by the Nomination Advisory Committee.

Kawana A succession plan is ideally a framework for nurturing executive candidates in a systematic way. In the recent process, there seem to have been some weak points in the procedure for systematically identifying candidates.

Kitao I personally feel that I have maintained an awareness of the succession question, including in my attitude to other directors. That is why I have worked over the past few years to cultivate human resources, providing opportunities to accumulate a wide range of experience rather than narrowly focusing on a specific field, so I would say that my own thinking on the matter has been systematic. However, for the sake of transparency and objectivity, the succession process must be more than a plan inside one person's head; it needs to be set out in a clearcut form that is shared and discussed systematically with the Nomination Advisory Committee. In that sense, I recognize that it was not adequate.

Kawana I feel that Kubota is rich in high-quality human resources with great potential, so going forward it needs to



continue with the systematic cultivation of successors. Taking the recent example, I would like to commend Mr. Hanada for the part he took in the discussion as a director, which prepared him to assume the leadership role and take personal responsibility for moving things forward. From that perspective, my analysis is that measures to cultivate management human resources were taken firmly in hand.

Furusawa As suggested by our discussion so far, I recognize that the recent succession process had both good points and points in need of review. I think that has been sufficiently acknowledged under the new management structure and I look forward to seeing the response. The question of how to cultivate fresh executive talent is also crucial, so discussion of the optimal approach must continue.

Having participated in discussions on Kubota's Board of Directors, VUDM, and Nomination Advisory Committee, how do you evaluate Kubota's Board culture?

Kawana I feel that the Board of Directors has a very positive culture. Thanks not least to Mr. Kitao's leadership as the Chair of the Board, it was easy to voice even critical opinions. I think recognition is deserved for the resulting active discussion that took place at every meeting.

At the same time, I would like to comment on briefing materials by saying that it is important to outline clearly the position of each agenda item in the overall strategy by showing, for instance, what the significance of a certain investment is in the context of the wider strategy of the Mid-Term Business Plan, or what issue in the supply chain as a whole it is designed to resolve. If the materials were arranged to show the overall picture in this way, I think the quality of discussion would improve.

Meanwhile, the number of contributions made by outside directors at Board meetings seems to me to be increasing. However, because the inside directors are in a better position to assess corporate performance, I think it would be helpful if they went beyond their own areas of responsibility to actively present their individual perspective as an executive on how to achieve corporate value increase across the whole of Kubota.

Kitao I agree that the way briefing materials are prepared needs to be reviewed. Now that we have formulated the



Mid-Term Business Plan, I would like to see materials designed to show the position of individual items in the overall plan and their relation with the wider framework, including the cost of capital.

Yamashita One point that requires attention when briefing materials are produced separately for the Board of Directors and the Management Committee is that preparing fresh materials imposes an increased burden on resources. In terms of the implementation of the Mid-Term Business Plan, it would perhaps be useful to check how far the existing materials are relevant to the discussion so that they do not all have to be prepared afresh where existing data can be used as the basis for discussion.

An overall advance briefing should be provided as a matter of course, but if information were shared fully on what kind of discussion has taken place at the Management Committee, the Board of Directors would be better able to also assess the quality and depth of discussion. In that sense, I think how the conclusions of the Management Committee are summarized and communicated is very important.

Furusawa At Kubota, the materials provided for the Management Committee and the meeting minutes are relatively detailed, which makes it easy to see who made what kind of contribution and what kind of discussions and assessments the company went through before passing an item up to the Board of Directors. Because that also gives the Board of Directors access to the relevant information, it creates an environment conducive to constructive discussion.

We recognize that one of the distinctive features of Kubota's Board of Directors is that it is an environment welcoming of comment and opinion. What is particularly striking is the involvement of Audit & Supervisory Board members. From the time when I first became an outside member myself, I noticed that it was often Audit & Supervisory Board members who started the debate and that the discussions were animated. Kubota's Audit & Supervisory Board members make wide-ranging visits to corporate worksites, including overseas bases, are very well informed about conditions on the ground, and share these insights freely with the Board of Directors. I see this as a major strength for Kubota.

Arakane I also feel that the Board culture is very positive and that Kubota is a place of active discussion with many lessons to teach. Especially distinctive is the form of involvement of the Audit & Supervisory Board members, who make very active contributions compared to the many other companies with an Audit & Supervisory Board where they tend to make few comments. What I find very useful is that their comments are not highly specific observations, but opinions from a broad business-based perspective.

I believe that the chair has a very significant role in enhancing the effectiveness of the Board of Directors going forward. Because the president and CEO is in charge of business execution, it is sometimes hard for him to set aside enough time for the operations of the Board of Directors. This means that the chair needs to work to raise the quality of discussion by paying close attention to the Board's culture and effectiveness. It is reassuring for me to see that Mr. Kitao has shown a commitment to fulfilling that role.

Lastly, what is your opinion of the new executive structure introduced from 2026 and what benefits do you expect to see from it?

Kawana Under the new executive structure, I look forward firstly to seeing a framework put in place that is sensitive to risk and can respond to it in an agile fashion. To that end, a range of response measures should be prepared in advance. At the same time, Kubota needs to not just act defensively but also take on challenges that point the way to the future, displaying entrepreneurship and engaging with new technologies. I want us on the Board of Directors to play our part in supporting those initiatives.

Yamashita What is important first and foremost is speed and

practical implementation. If the risk management that depends on is not properly effective, that can lead instead to uncertainty resulting in loss of pace. The inside directors and executives will no doubt be kept very busy, but to produce quality work requires some respite from time pressure, without which I think it is difficult for creativity to emerge. AI and IT may be used to increase work efficiency, but that will have no benefit if a corresponding additional workload is imposed. In principle, the time saved should be used for creative work.

However, creative work and entrepreneurial new business ideas cannot be produced to order. Instead, I believe they take shape during time spent thinking and meeting with people on the outside. Accordingly, inside directors in particular should be aware of the need to create space for themselves.

Furusawa Kubota people are very dedicated and there is a tendency for them to carry the burden of work alone. However, the new Mid-Term Business Plan is already challenging in its content and when you add in for instance the management structure reform and the establishment of the CxO system, it is far from certain that everything will run smoothly from the start. Under these circumstances, I would like to see people share their concerns openly at Board meetings rather than worrying about them in private. I feel that the Kubota Board of Directors has created an environment allowing frank discussion, so I think we should take advantage of this space to confront any issues.

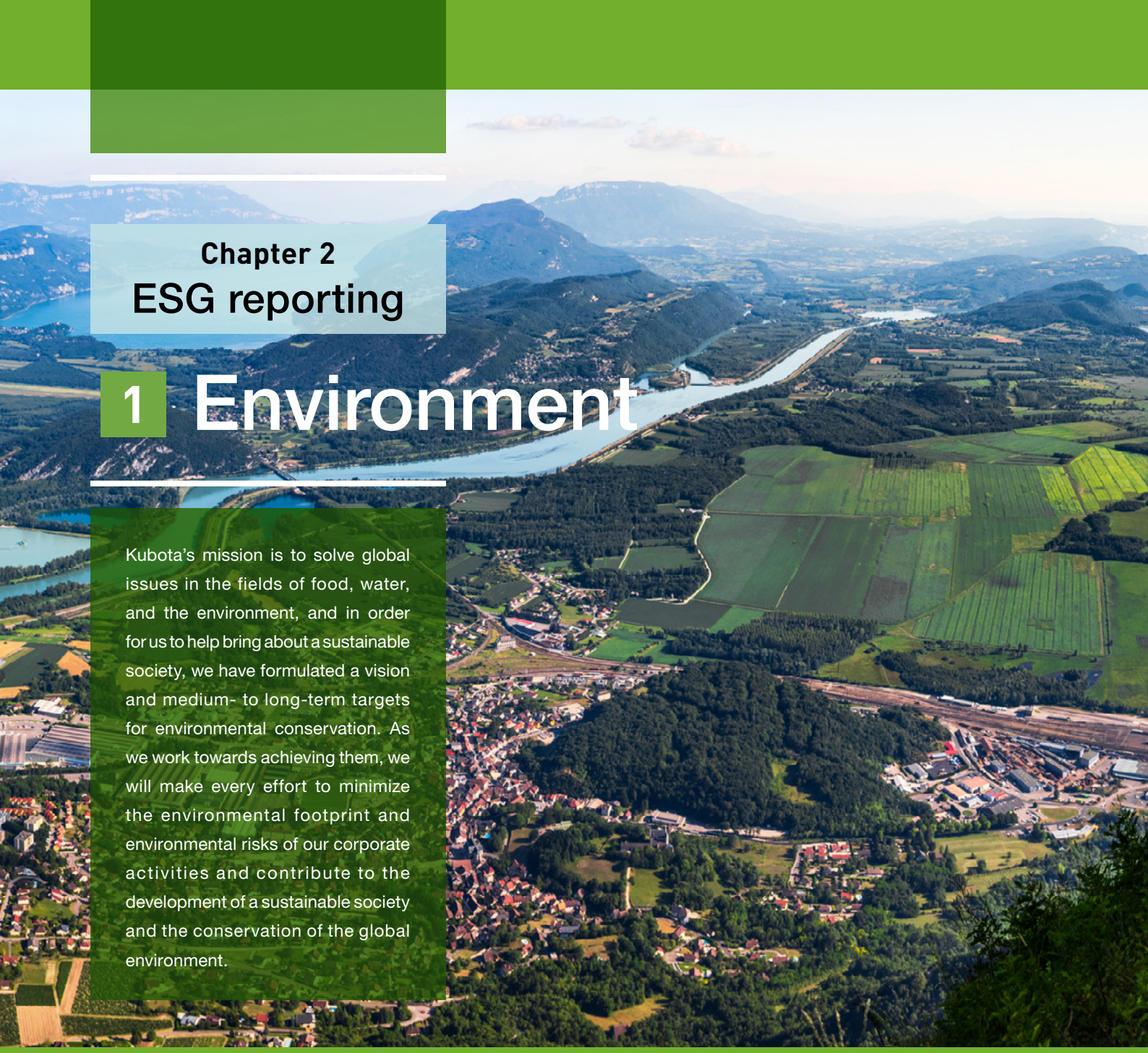
Arakane On the Board of Directors, we have, I think, been able to successfully communicate with each other about the kind of discussions we want to have and the subjects we need to raise. At the same time, we need to think about how to progress from there to concrete discussions in the actual context of the Board of Directors and the VUDM, which, it seems to me, is ultimately the decisive point. To be able to successfully realize such discussions, support functions are necessary, and I think a corresponding system needs to be put in place under the guidance of senior management.





Shintaku To change the corporate culture, I think it actually is important to bring in diverse human resources from outside. As people come and go, each with their own vision of their individual career, they seek to learn and grow, and I believe that has a major impact in terms of invigorating the organization. Rather than the conventional process where staff climb the internal promotion ladder step by step, a situation where the inflow of external human resources stimulates staff to develop their own strengths and then venture out into the world is, in my view, more conducive to producing new ideas.

Kitao Now that we have formulated the Mid-Term Business Plan, we will need to steadily monitor and assess its progress going forward. For the executive team, I envisage many difficult decisions to be made in the areas of structural business reform based on selection and concentration and investment in new growth fields. In these situations, it will be important for the Board of Directors to play an actively encouraging role. I would like to see the Board providing support by drawing on the experience of the outside directors to identify Kubota's strengths and issues. As for myself, I hope to play a bridging role between the two sides.



Chapter 2
ESG reporting

1 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.

39 Environmental Management Basic Policy
43 Environmental Vision
46 Medium- and Long-Term Environmental Conservation Targets and Results
49 Environmental Management Promotion System
51 Mitigating and Adapting to Climate Change
73 Working towards a Recycling-based Society
77 Conserving Water Resources
80 Controlling Chemical Substances
83 Conserving Biodiversity
96 Expanding Environment-conscious Products and Services
99 Environmental Management
105 Environmental Communication
109 Environmental Data
121 Third-Party Assurance of Environmental Report

<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. In response to rising awareness of the environment internationally, in January 2026 we revised our Environmental Action Guidelines.

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 for mitigating and adapting to 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 support climate change mitigation and adaptation, the sustainable utilization of resources, water resource conservation, and the maintenance and development of water infrastructure.
   (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. In addition to this concept, in formulating our Environmental Charter and Environmental Action Guidelines, we have also given thought to the direction of climate change countermeasures indicated in the Paris Agreement, as well as the circular economy approach, which emphasizes resources recycling.

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.



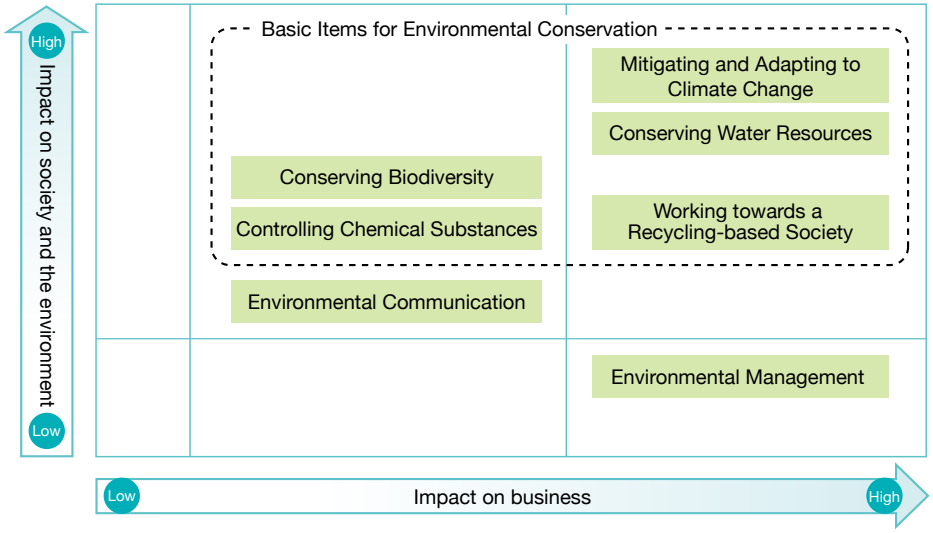
Materiality in Environmental Management

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 (Paris Agreement, TCFD recommendations, TNFD recommendations, etc.), policy and social trends (disclosure regulations in each country and circular economies, etc.), key external evaluation indicators (CDP, MSCI, etc.), and global trends in the Kubota Group's business fields, etc.
Step 2	**Listing material issues** Through discussions at the internal meetings on environmental issues led by management 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 and export of discarded plastic, regulations on plastic packaging, and 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 (collection, reuse, recycling) • 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, 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 pp.96-98)		
	Design and development, procurement	Manufacturing and distribution	Use and disposal
Mitigating and Adapting to Climate Change (pp.51-72)	・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 (pp.73-76)	・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 (pp.77-79)	・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 (pp.80-82)	・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 (pp.83-95)	・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 (pp.99-104)	・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 (pp.105-108)	・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.

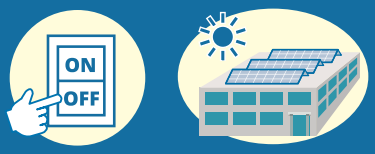
With "For Earth, For Life" as its concept for environmental management, the Kubota Group aims to contribute to the realization of a sustainable society, regarding environmental conservation, including climate change countermeasures, as a priority issue in its corporate activities. The Kubota Group has 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.

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 pp.68-72 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.

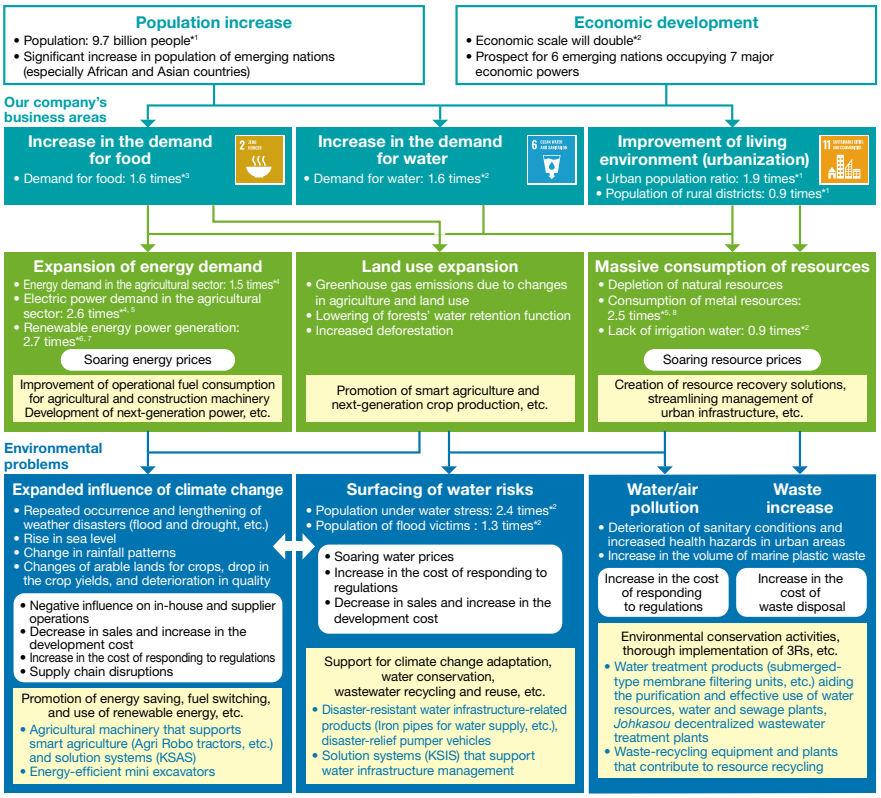
Increase in food demand and water demand, expansion of energy demand due to urbanization, etc., and cultivation of new land for food production may aggravate the climate change problem. Climate change can have a huge negative impact on people's lives. If rainfall patterns are altered, conventional crop 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 FY2025, CO_2 emissions of the Kubota Group* were **reduced** by **34.4%** 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 gas emissions other than CO_2 from energy sources

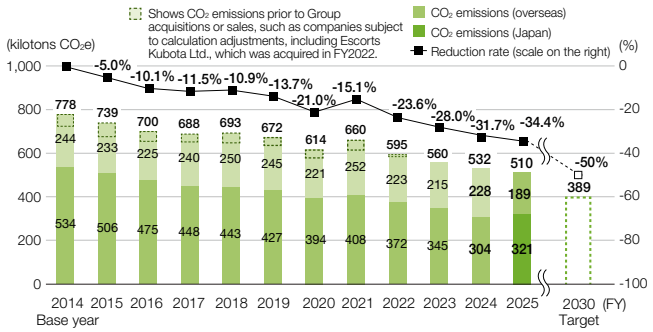
Efforts to Develop Environment-conscious Products

In FY2025, we designated 60 new Eco-Products.

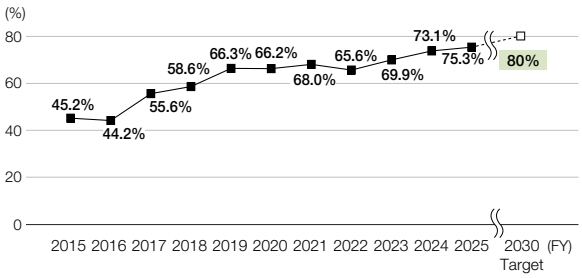
2030 Target	**Increase** the sales ratio of Eco-Products to **80%** by FY2030. Aim to put all new products that are certified as Eco-Products in the market in FY2030 and later.
Result	The sales ratio of Eco-Products was **75.3%** in FY2025.

● **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.116).

The FY2025 results of the environment-related information provided in the Kubota Report 2026 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.48.) as our next medium-term plan. 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	FY2025 Result	Achievement Status
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%	▲49.6%	○
			Ratio of renewable energy usage*4	—	20% or more	23.1%	○
		Save energy	Energy consumption per unit of production	2014	▲35%	▲37.1%	○
	Working towards a Recycling-based Society	Reduce waste	Waste discharge per unit of production	2014	▲45%	▲58.4%	○
			Hazardous waste discharge per unit of production*5	2019	▲17%	▲18.5%	○
			Recycling ratio (Japan) *6	—	Maintain 99.5% or more	99.4%	×
			Recycling ratio (Overseas) *6	—	Maintain 90.0% or more	96.7%	○
	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%	▲42.1%	○
Products	Improving Products' Environmental Performance	Expand Eco-Products	Sales ratio of Eco-Products*7	—	70% or more	75.3%	○
		Efficient resource use	Usage ratio of recycled materials*8	—	Maintain 70% or more	85.2%	○

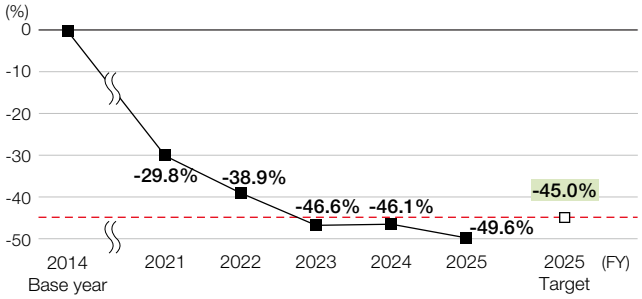
Reporting Boundary	Issue	Action item	Management indicator	Result of FY2025	Achievement Status
Global Production Sites	Working towards a Recycling-based Society	Improve resource efficiency	• Reduce disposable plastics at business sites	See p.76	○
			• Work with suppliers to conserve packaging materials 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.79	○
	Conserving Biodiversity	Conserve biodiversity at business sites	• Promote the protection of the natural environment by greening our establishments and creating biotopes	See p.94	○
		Promote social contribution activities	• Promote conservation of the local natural environment and biodiversity as social contribution activities	See p.95	○
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	Currently in progress*13	○

*1 CO_2 emissions indicate 90.6% of base-year Scope 1 and 2 emissions and include greenhouse gas emissions other than CO_2 from 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.
*13 Please refer to our website for products that comply with emission regulations and are currently on the market.

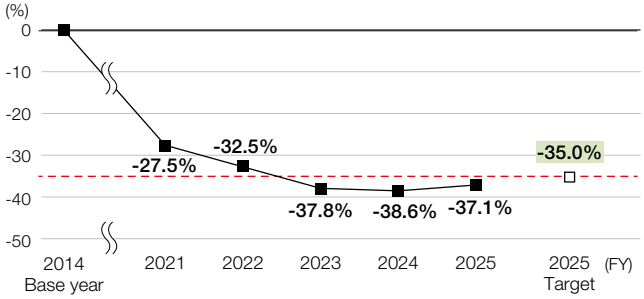
For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.116).

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

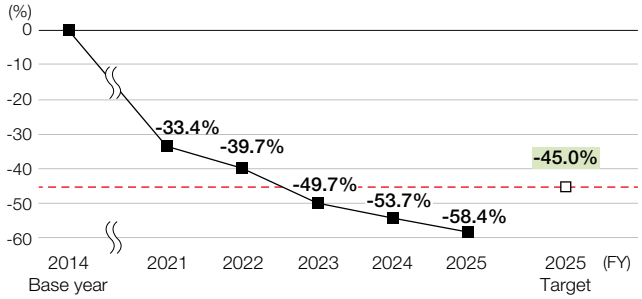
Trends in Reduction Ratio of CO_2 Emissions per Unit of Production*



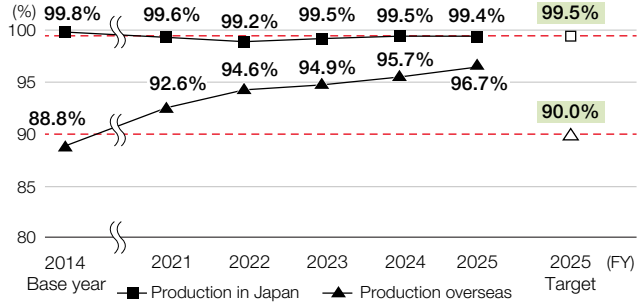
Trends in Reduction Ratio of Energy Use per Unit of Production*



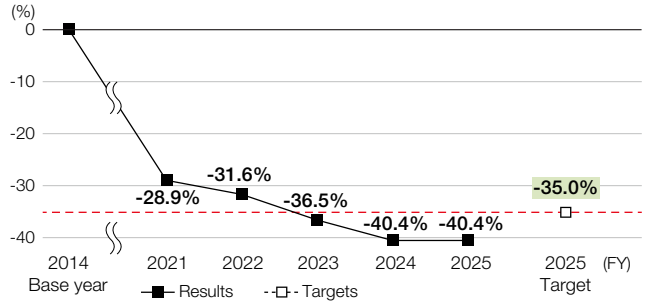
Trends in Reduction Ratio of Waste Discharge per Unit of Production*



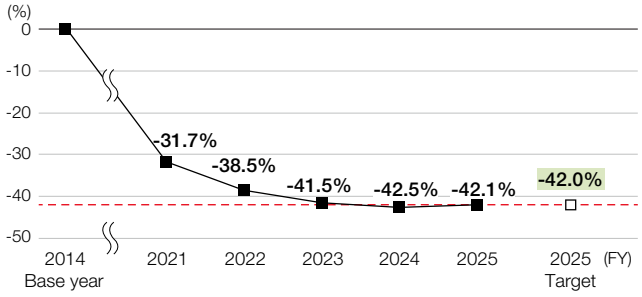
Trends in Recycling Ratio*



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



Trends in Reduction Ratio of VOC Emissions per Unit of Production*



* 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.

Next Medium- and Long-Term Environmental Conservation Targets

The environmental conservation targets that have guided the Group's current efforts to reduce environmental impacts to date take 2025 as the 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 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%
				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%	—
	Working towards a Recycling-based Society	Reduce waste	Waste discharge per unit of production	2014	▲60%	—
			Hazardous waste discharge per unit of production	2019	▲35%	—
			Recycling ratio	—	96% or more	—
	Conserving Water Resources	Conserve water resources	Water withdrawal per unit of production	2014	▲45%	—
	Controlling Chemical Substances	Reduce VOCs	VOC emissions per unit of production	2014	▲42%	—
Products	Improving Products' Environmental Performance	Expand Eco-Products	Sales ratio of Eco-Products	—	80%	—

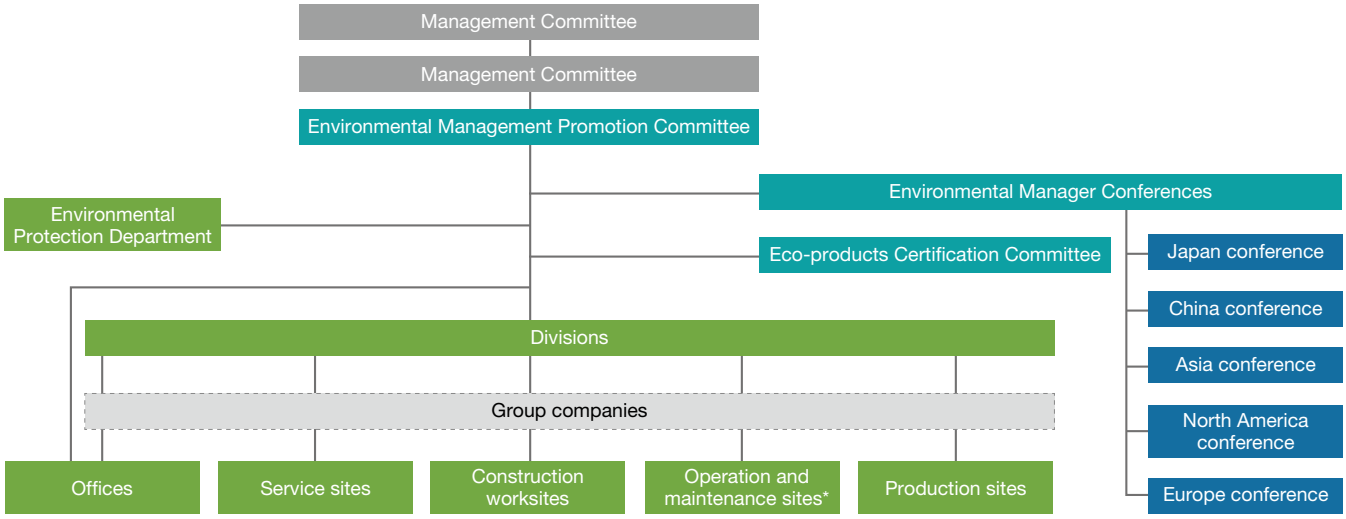
Environmental Management Promotion System

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

Since 2014, we have adopted a more strategic and innovative approach to environmental management by management-led promotion. 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

Implementation of Environmental Management Led by the Management

At our company, management discusses and deliberates on environmental issues and response strategies. In 2025, through the ESG Management Strategy Meeting, we discussed the medium- to long-term direction of Kubota Group's environmental management, including medium- to long-term targets and priority measures related to environmental conservation, taking into account global environmental issues such as climate change and the business environment, and decided on matters and plans that should be prioritized. Environmental issues were discussed on two occasions in 2025 at meetings in March and November.


ESG Management Strategy Meeting (FY2025)

The results of the discussions 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. Furthermore, starting in 2026, in order to further strengthen management-led environmental management, we will establish the Environmental Management Promotion Committee dedicated to deliberating on environmental issues. This committee will deliberate on and promote policies, targets, and promotion plans related to environmental management, as well as progress management and company-wide policy measures.

Please refer to p.183 (Corporate Governance) for the Management Committee

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.

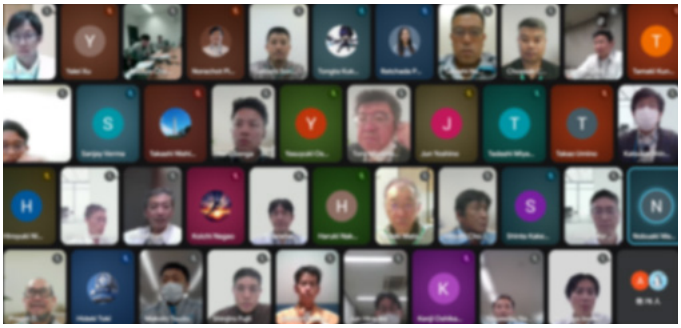
To realize the Environmental Vision, it will become necessary to accelerate the further reduction of environmental impacts globally. Moreover, as production has increased in overseas areas, it is necessary to thoroughly implement environmental risk reduction measures. We revised the method of holding 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 FY2025 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 p.99 (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

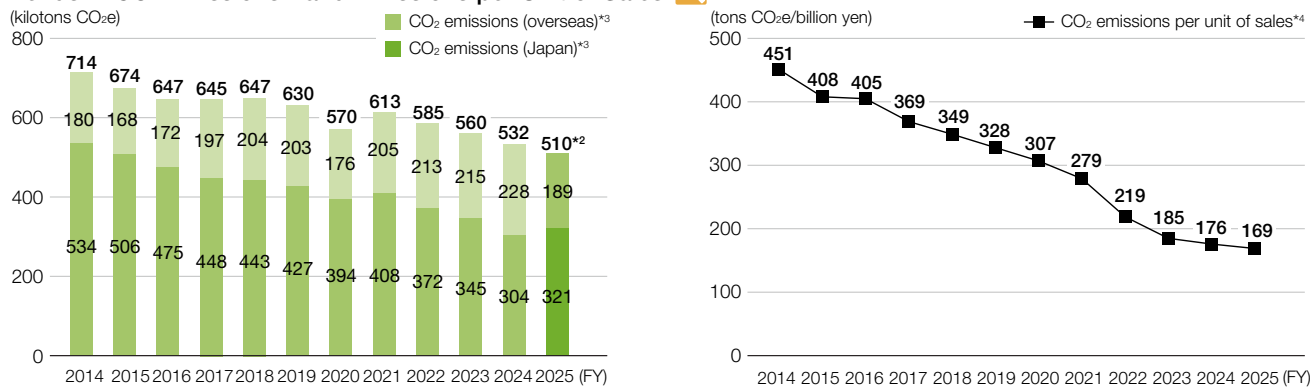
CO_2 Emissions (Scope 1 and Scope 2)

In FY2025, CO_2 emissions were 510 kilotons CO_2e, a decrease of 4.0% compared to the previous year. However, CO_2 emissions per unit of sales improved by 4.1% 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 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 (510 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 (8 kilotons CO_2e).
*3 CO_2 emissions refer to Scope 1 and 2 emissions from all Kubota Group sites (100%) and include greenhouse gas emissions other than CO_2 from 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 (pp.46-48) 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 reviewing the plans, we use Internal Carbon Pricing*5 to convert the CO_2 emissions of each business unit into a monetary amount, ascertain future carbon tax risk, and report this to executive management in order to promote emissions reduction. In addition, we calculate the energy consumption and investment cost for the amount of CO_2 reduced in our 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-FY2025 the ratio of LEDs as a percentage of all lights at production sites had increased to 93.0%. In FY2025, we held four 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.116).

We are also accelerating the introduction of renewable energy. In FY2025, solar power generation systems were installed at the Kubota Hirakata Plant (Japan), Kubota Global Institute of Technology (Japan), Kverneland Group Soest GmbH (Germany), Kubota Engine (WUXI) Co., Ltd. (China), Siam Kubota Corporation Co., Ltd. (Thailand), and elsewhere. This brought the renewable energy consumption of the entire Group to 193,083 MWh (roughly equivalent to a 98,050-ton reduction in CO_2 emissions). The renewable energy usage ratio in 2025 was 23.1%, versus the 2025 target of 20%. We offset 1,188 tons of CO_2 emissions resulting from natural gas usage at a European site in 2025.

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 8.6 kilotons CO_2e in FY2025 compared with the case where countermeasures were not implemented from the previous year. The economic effects of these measures reached 350 million yen compared to the previous year. CO_2 emissions per unit of production in FY2025 improved by 49.6% 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.

*5 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.

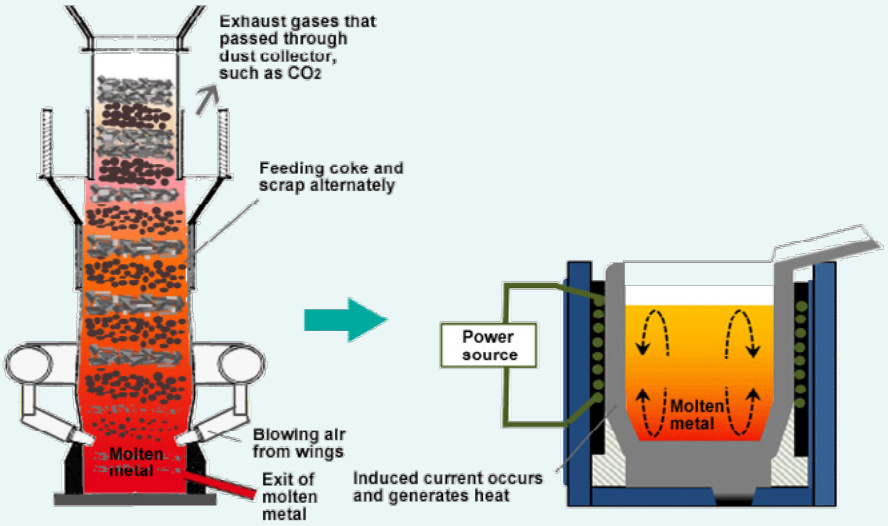
One advantage of the cupola furnace is that it can continuously melt large volumes of metal into liquid. On the other hand, the disadvantages include an extremely complex furnace operation method that requires expertise, the need for large equipment such as a heat exchanger and dust collector, considerable 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 2025, we also promoted the conversion of cupolas to electric furnaces at Okajima Business Center.

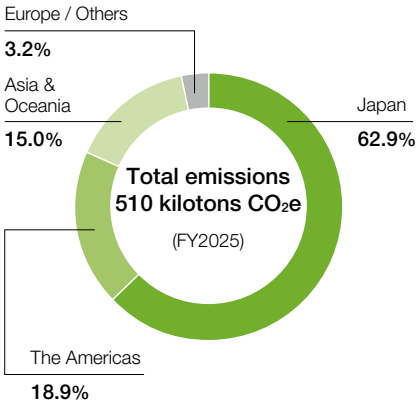
In our Environmental Vision we have outlined our contribution to work towards achieving carbon neutrality by 2050, which is why we are focusing on reducing CO_2 emissions at the production stage. The shift away from cupola to electric is one part of this initiative.



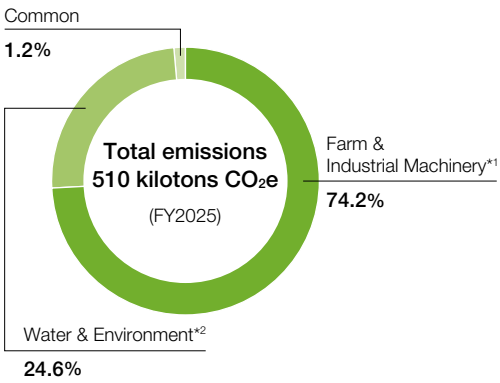
Structure of cupola

Structure of induction crucible furnace

CO_2 Emissions by Region



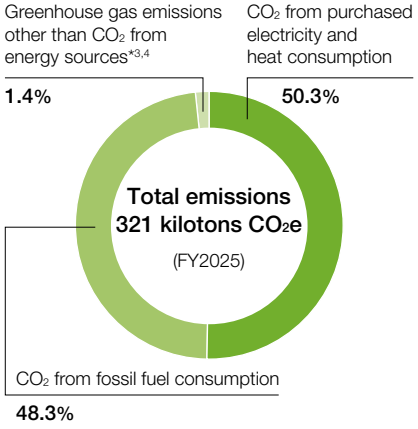
CO_2 Emissions by Business



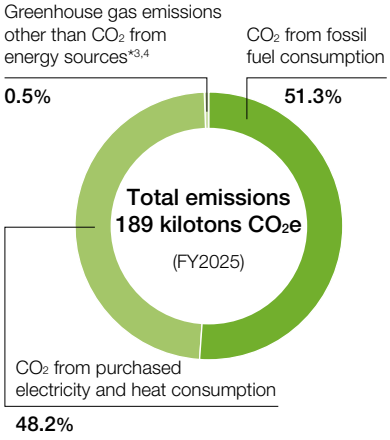
*1 CO_2 emissions generated from the production of products such as agricultural machinery, construction machinery, and engines.
*2 CO_2 emissions generated from the production of products such as ductile iron pipes and cast steel.

CO_2 Emissions by Emission Source

Japan



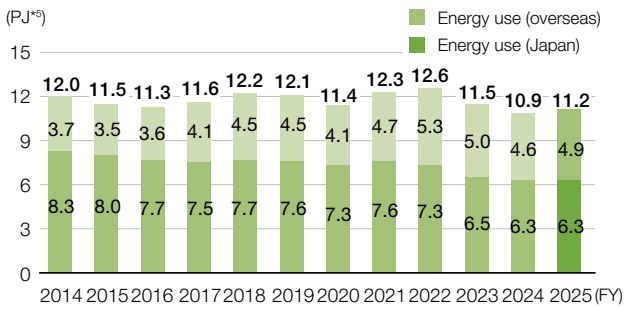
Overseas

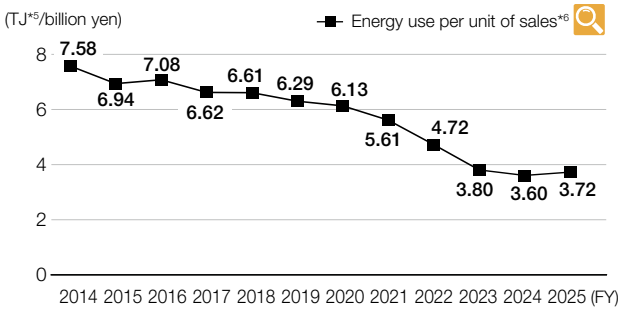


*3 Greenhouse gas emissions other than CO_2 from energy sources include the following: CO_2 3.3 kilotons CO_2e, CH_4 1.0 kilotons CO_2e, N_2O 0.6 kilotons CO_2e, HFC 0.3 kilotons CO_2e, PFC 0 kilotons CO_2e, SF_6 0.2 kilotons CO_2e, and NF_3 0 kilotons CO_2e
*4 Emissions of greenhouse gas emissions other than CO_2 from 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





*5 PJ = 10^{15}J, TJ = 10^{12}J
*6 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.116).

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*1, we calculate Scope 3 CO_2 emissions, and continue to expand the categories in the scope of its calculation of CO_2 emissions.

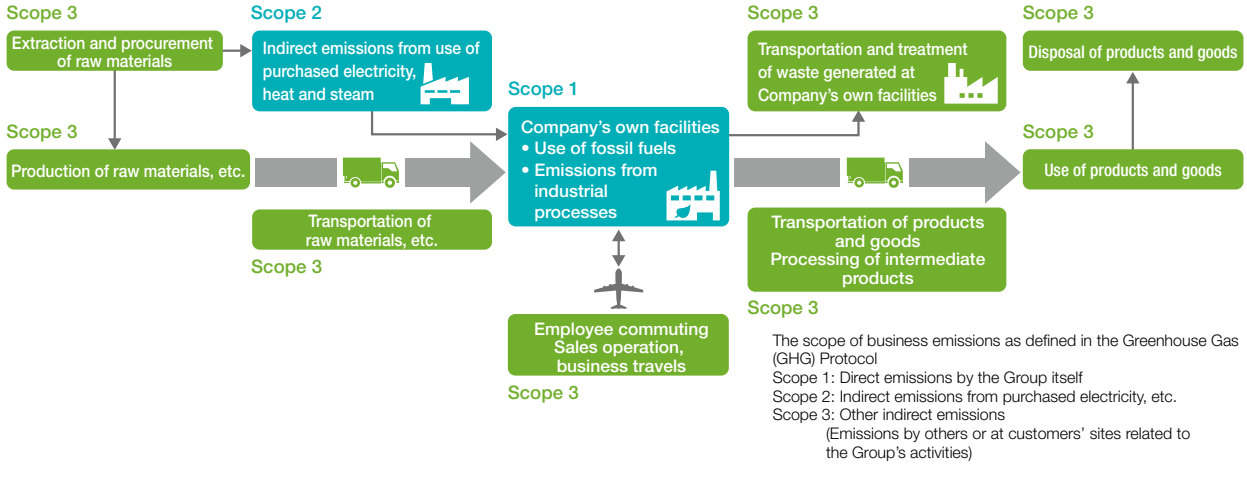
*1 Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain issued by the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry

CO_2 Emissions in Each Stage of Value Chain

Classification				Scope of calculation	CO_2 emissions (kilotons CO_2e)*3		
					2023	2024	2025
Emissions of the Kubota Group's business sites	Direct emissions (Scope 1)*2			Use of fossil fuels	277	237	252
				Greenhouse gas emissions other than CO_2 from energy sources	7	6	5
				Total of Scope 1	284	243	257
	Indirect emissions (Scope 2)*2			Purchased electricity and heat use	276	289	253
Upstream and downstream emissions	Other indirect emissions (Scope 3)	Category	1	Resource extraction, manufacturing and transportation related to purchased goods/services	4,191	3,891	3,754
			2	Manufacturing and transportation of capital goods such as purchased equipment	492	721	602
			3	Resource extraction, manufacturing and transportation related to purchased fuels/energy	108	98	101
			4	Upstream transportation and distribution	246	197	202
			5	Disposal of wastes discharged from business sites	28	27	28
			6	Employee business travels	28	29	28
			7	Employee commuting	17	18	18
			8	Operation of assets leased to the Kubota Group	0*4	0*4	0*4
			9	Downstream transportation and distribution	0	0	0
			10	Processing of intermediate products	338	289	277
			11	Use of sold products	36,787	35,083	33,727
			12	End-of-life treatment of sold products	69	65	63
			13	Operation of assets leased to other entities	0*4	0*4	0*4
			14	Operation of franchises	0*4	0*4	0*4
			15	Investments	0*4	0*4	0*4
				Total of Scope 3	42,306	40,419	38,799
Total of Scopes 1, 2, and 3					42,866	40,950	39,310

*2 CO_2 emissions refers to emissions from all Kubota Group sites (100%).
*3 Totals shown may differ from the simple sum of values shown due to rounding.
*4 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.116).

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

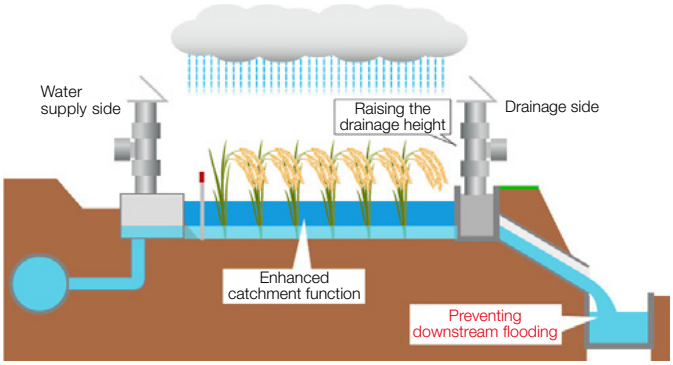
Category		Major initiatives
Food		• Provision of tractors that are capable of deep plowing necessary for growing rice in abnormally high temperatures without lowering the quality/yield, and the provision of information useful for soil cultivation, such as the proper distribution of fertilizers appropriate 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 • 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	p.49 p.183
b. Describe management's role in assessing and managing risks and opportunities.	Environmental Management Promotion System, Remuneration plan overview	p.49 p.189
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	p.40 p.41
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	p.41 p.42
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	p.43 p.51 p.96
Risk Management		
a. Describe the organization's processes for identifying and assessing climate-related risks.	Environmental Management Approach —Materiality in Environmental Management	p.40
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)	p.40 p.49 p.96 p.196 p.197
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	p.49 p.183 p.196
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	p.46 p.51 p.189
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	p.54 p.109
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	p.46

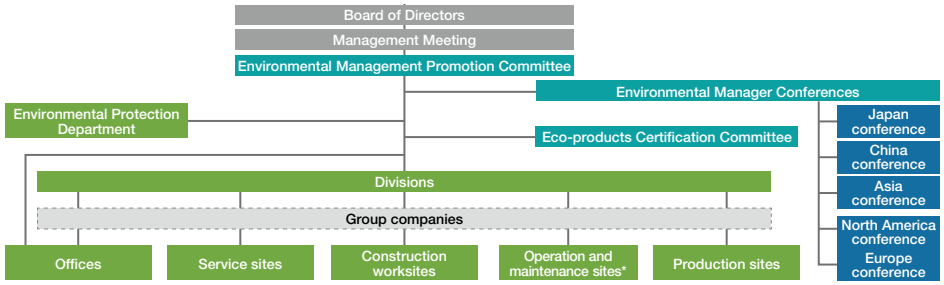
Disclosure in Accordance with the TCFD Recommendations

Governance

Environmental Management Promotion System

Since 2014 the Kubota Group has deliberated 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 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





ESG Management Strategy Meeting (FY2025)

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

Our company discusses and deliberates on environmental issues and response strategies by the management members. The meeting participants discussed 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 decided 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 were reported to the Board of Directors and the Executive Officers' Meeting, and were distributed throughout the Group. It also promoted 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 two times in FY2025 to discuss environmental issues. From 2026, in order to further strengthen management-led environmental management, we will establish the Environmental Management Promotion Committee dedicated to deliberating on environmental issues. This committee will deliberate on and promote policies, targets, and promotion plans related to environmental management, as well as progress management and company-wide policy measures.

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.

Oversight 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 based on the environmental management structure. 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 and Kubota's Basic Stance on Climate Policies and Regulations

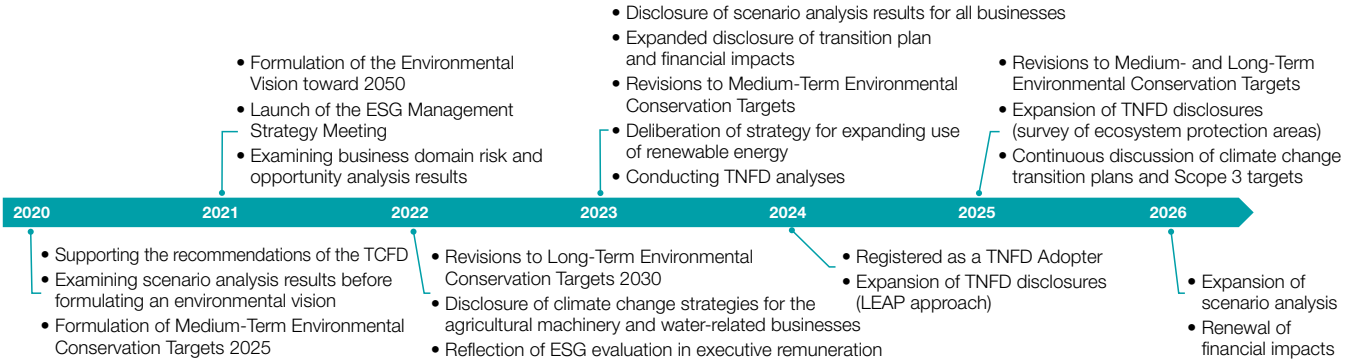
Based on the Kubota Group's environmental charter, we aim to help bring about a society capable of sustainable development on a global scale. We have also declared our commitment to contributing to the conservation of the global and local environment through environment-conscious products, technologies, 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, etc. 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.

Climate change has a powerful impact on Kubota's business domain. Business activities that are based on climate change-related regulations and policies are essential for protecting sustainable agriculture, water resources, and infrastructure, and for ensuring the long-term stability of business and the safety of society. The Kubota Group supports climate-change related regulations and policies, and aims to achieve both economic and environmental goals by strengthening its decarbonization initiatives and resilience.

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.49), “Remuneration plan overview” (p.189), “Corporate Governance System” (p.183)

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.

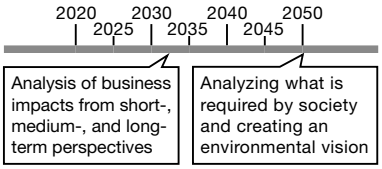
Going forward, we will continue to analyze climate change risks and opportunities under each scenario, examine methods for evaluating the foreseeable impacts on business activities as well as the financial impacts of climate change, and strive to provide even greater information disclosure to the public.

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 from short-, medium-, and long-term perspectives. The Kubota Group operates businesses in the areas of food, water, and the environment. Of those three fields, we analyzed our Farm & Industrial Machinery business (agricultural machinery and construction machinery) and the Water & Environment business, which are expected to be impacted significantly by climate change from both a financial perspective, including net sales, and non-financial point of view.

Scenario Analysis Time Horizon



Based on an assumption of sustainable socioeconomic development, we envisaged a society in which international cooperation and the spread of low-carbon technologies expand towards realization of the 1.5°C (SSP1-1.9) and 2°C (SSP1-2.6) scenarios targeted by the Paris Agreement, and a society under the 4°C (SSP5-8.5) scenario, in which climate risk is maximized. We considered the impacts on our business and our resilience under these scenarios from short-, medium-, and long-term perspectives.

Item	Assumptions
Target businesses	All businesses (Farm & Industrial machinery and Water & Environment)
Time horizon	Analyzing impacts on business from short-, medium-, and long-term perspectives*1 considering the anticipated changes in around 2050 as a result of climate change

Setting scenario	Reference scenario
1.5°C/2°C scenario	The IEA’s Net Zero Emissions by 2050 Scenario (NZE 2050)*2, Sustainable Development Scenario (SDS)*2, 3, and the FAO’s Towards Sustainability Scenario (TSS)*4 IPCC’s Shared Socio-economic Pathway (SSP) and Representative Concentration Pathways (RCP) scenario -SSP1-1.9, SSP1-2.6*5
4°C scenario	The IEA’s Stated Policies Scenario (STEPS)*2, 3 The FAO’s Business-as-usual Scenario (BAU)*4 IPCC’s Shared Socio-economic Pathway (SSP) and Representative Concentration Pathways (RCP) scenario -SSP5-8.5*5

*1 Short-term: 0-3 years, medium-term: 3–5 years, long-term: more than 5 years *2 Source: IEA “World Energy Outlook 2023”
*3 Source: IEA “Energy Technology Perspective 2020” *4 Source: FAO “The future of food and agriculture – Alternative pathways to 2050”
*5 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 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.43)

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 environmental 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. From 2026, in order to further strengthen management-led environmental management, we will establish the Environmental Management Promotion Committee dedicated to deliberating on environmental issues. This committee will deliberate on and promote policies, targets, and promotion plans related to environmental management, as well as progress management and company-wide policy 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: Discussions on environmental issues with management, assessment 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, we discuss the draft measures on environmental conservation as well as the medium-term (3–5 years) and long-term (5–15 years) targets with management. Each business site draws up a plan and then the Environmental Protection Department monitors the progress of those plans annually. We discuss the direction of key policies and medium- and long-term initiatives with management 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. Environmental issues require consideration and deliberation from a management perspective and a holistic view of the entire organization. We have established an environmental management promotion system to implement comprehensive environmental risk management led by top management.

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.183), “Internal Control System” (p.196)

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.

For Scope 1 and 2 CO_2 emissions, we have set reduction targets of 50% for 2030 and 75% for 2040 (both vs. FY2014) at global business sites. 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. Regarding Scope 3 emissions, it is difficult to estimate future emissions due to the uncertainty of market demand for decarbonized products. However, we are continuously exploring how to set goals that balance business growth with contributing to a decarbonized society. 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 FY2025 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%	▲34.4%
		2023	—	▲30%	—	▲8.9%
	CO_2 emissions per unit of production*2	2014	▲45%	▲60%	—	▲49.6%
	Ratio of renewable energy usage*1	—	20% or more	60% or more	—	23.1%
Save energy	Energy consumption per unit of production*2	2014	▲35%	▲45%	—	▲37.1%
Expand Eco-Products	Sales ratio of Eco-Products	—	70% or more	80% or more	—	75.3%

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

Related pages "Environmental Management Approach" (p.39), "Environmental Management Promotion System" (p.49)

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 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.

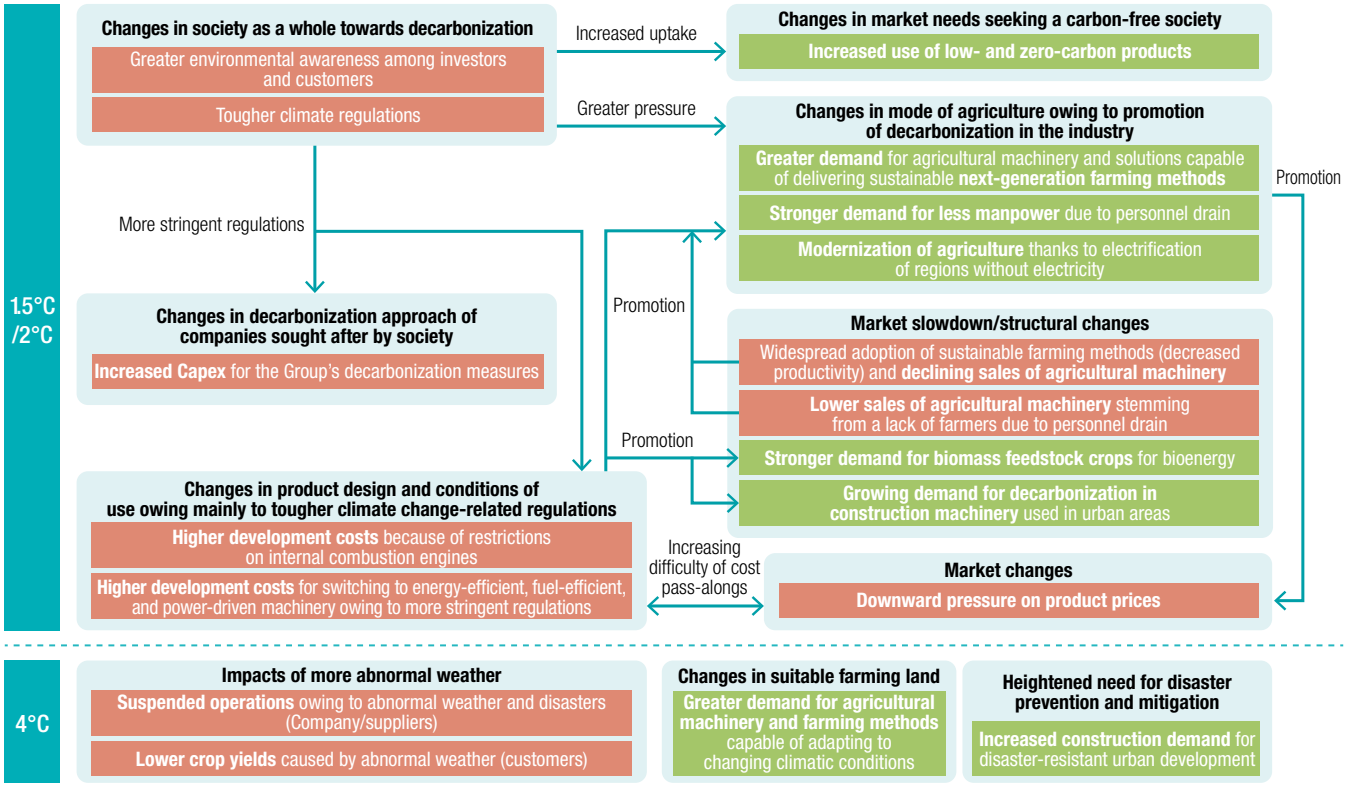
❷ Results of climate change scenario analysis in each business field

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

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 over the medium to long term, 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.

Expected Changes of Society in 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)		Time horizon*1	Evaluation results	Financial impacts (medium term)*2
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 U.S., 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.	Short term – long term	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 over the medium term	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.	Medium term – long term	The impact on revenue over the medium-term time horizon 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.	Short term – long term	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.	Medium term – long term	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

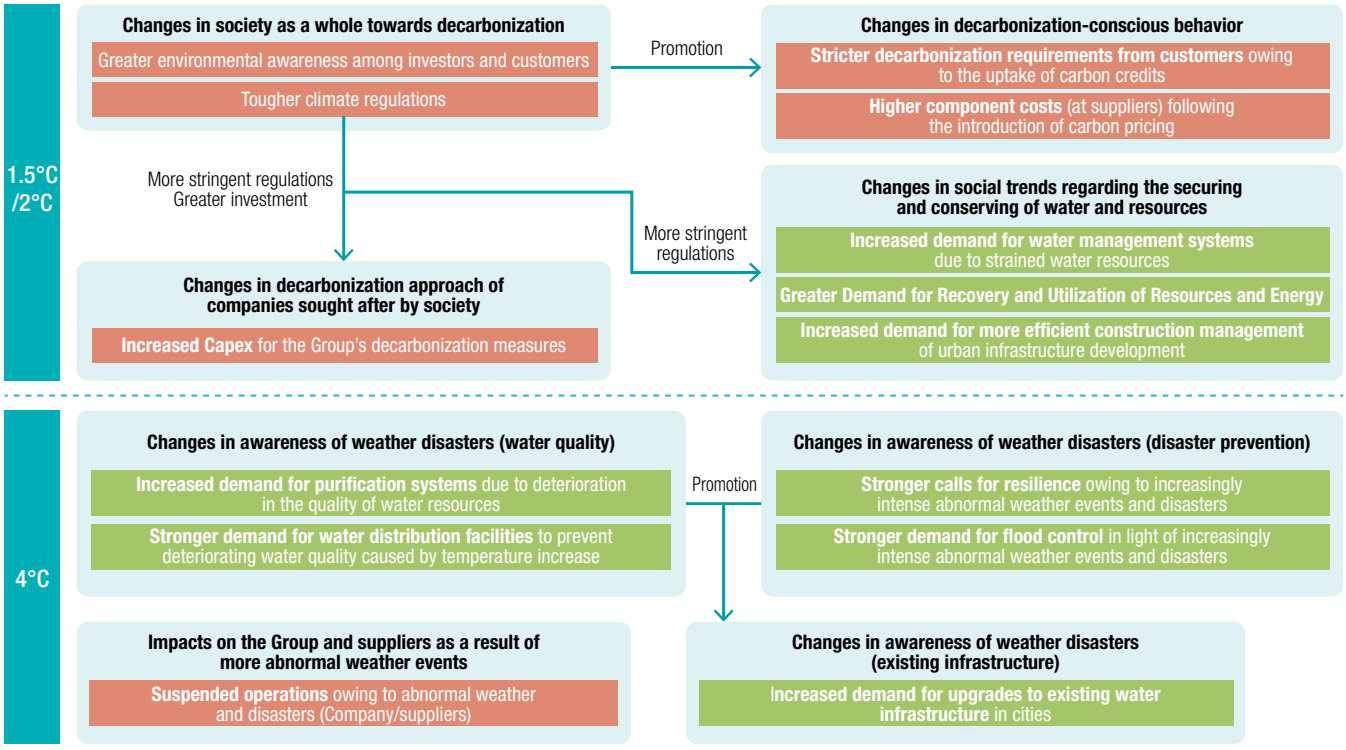
*1 Short-term: 0-3 years, medium-term: 3–5 years, long-term: more than 5 years
*2 Impact on earnings shown as low (less than or equal to ¥2.5 bn), medium (greater than ¥2.5 bn but less than or equal to ¥25.0 bn), or high (greater than ¥25.0 bn).

Disclosure in Accordance with the TCFD Recommendations

Expected Impacts of Climate Change on the Water & Environment Business

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. 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.

Expected Changes of Society in 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)		Time horizon*1	Evaluation results	Financial impacts (medium term)*2
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.	Short term – long term	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.	Short term – long term	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.	Short term – long term	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

*1 Short-term: 0-3 years, medium-term: 3–5 years, long-term: more than 5 years
*2 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).

Disclosure in Accordance with the TCFD Recommendations

Expected Universal Impacts of Climate Change on Both Businesses

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 tackling it is essential for sustainable business activities. 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. 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. 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)		Time horizon*1	Evaluation results	Financial impacts (medium term)*2
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.	Short term – long term	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*3)
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.	Long term	Disaster-related losses may arise as a result of weather disasters	Delays in procurement - Medium (Approx. ¥3.0–8.0 bn*4) Damage to the sites - Low to medium (Approx. ¥1-10 bn*5)
				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 enhance 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 Short-term: 0-3 years, medium-term: 3–5 years, long-term: more than 5 years
*2 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).
*3 Calculated by multiplying the projected carbon tax as of 2035.
*4 Calculated with reference to losses stemming from previous weather disasters.
*5 Estimated the financial impact of flood or storm-surge risks, taking into account the location of sites (urban areas or coastal areas).

Related page "Adaptation to Climate Change" (p.55)

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 based on the environmental management promotion structure
	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.189)
	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 a key theme 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 2030
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.46 to 48, 60
	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>

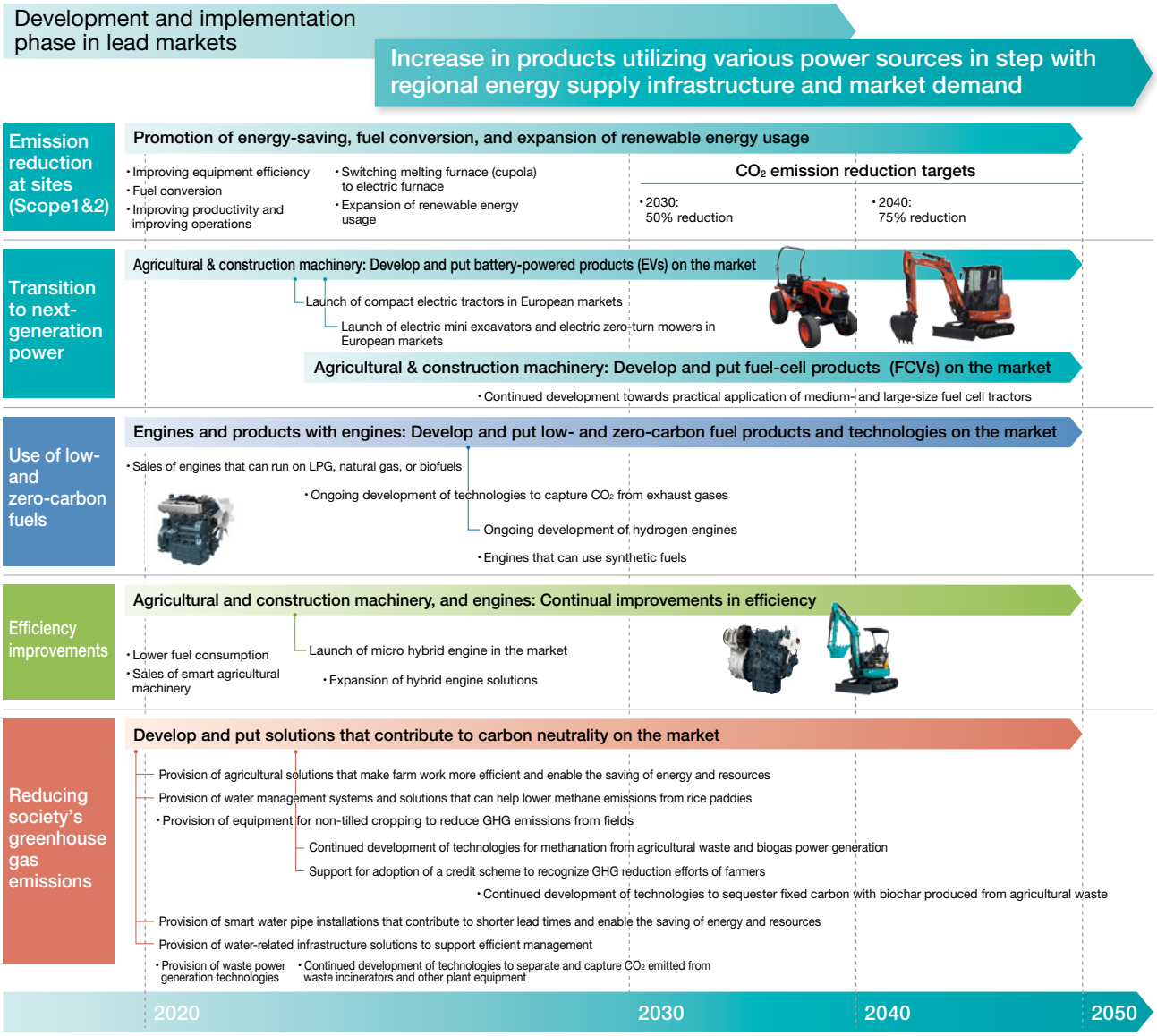
In our climate-related scenario analysis, from a short-term perspective we assume that electrification and the use of low- and zero-carbon fuels will gain traction in some regions. However, we also believe that demand will persist for our agricultural and construction machinery equipped with internal 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.

From a medium- to long-term perspective, we believe that in the carbon-neutral era there will be many 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 and Investment for Carbon Neutrality and Increased Energy Efficiency

The following table shows the amounts of capital investment and investment costs for environmental conservation toward realizing carbon neutrality. These investments will be used for promoting energy saving and increasing production equipment efficiency, and for technology development and equipment purchases aimed at increasing energy efficiency of products during use. By accelerating the reduction of greenhouse gases throughout our entire business, these investments will contribute to the realization of a sustainable society.

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

(Yen in millions)

	FY2024		FY2025	
	Investment	Costs	Investment	Costs
Farm & Industrial Machinery	784	11,546	427	8,901
Water & Environment	531	4,472	530	4,547
Common	294	2,989	212	3,397
Total	1,609	19,007	1,169	16,845

④ 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.

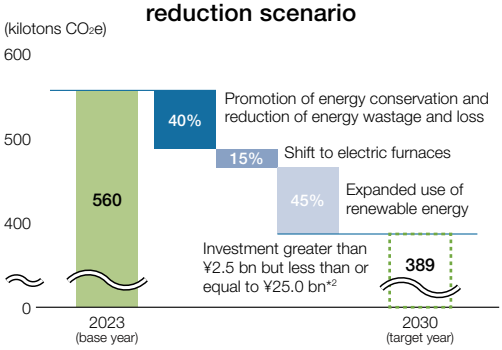


Solar power generation system installed on the rooftop of a plant in China

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



*2 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*3 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.



Kubota Versatile Platform Robot



Electric construction machinery and tractor

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

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.



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 is contributing to the curbing of CO_2 emissions by delivering waste incineration and melting plants that use the thermal energy generated when waste is burned to generate electricity (Emissions reductions equivalent to 4,124t-CO_2e/year at Nagano Regional Alliance/Chikuma Environment and Energy Center and 5,002 t-CO_2e/year at Kashiba-Oji Environmental Facility Union).



Plastic crushing and sorting facility



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

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.



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.



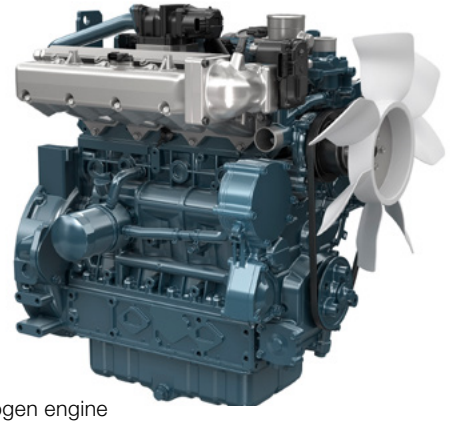
Electric zero-turn mower

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 — The Kubota Group's contribution to reducing GHG emissions through agriculture using the carbon credit scheme

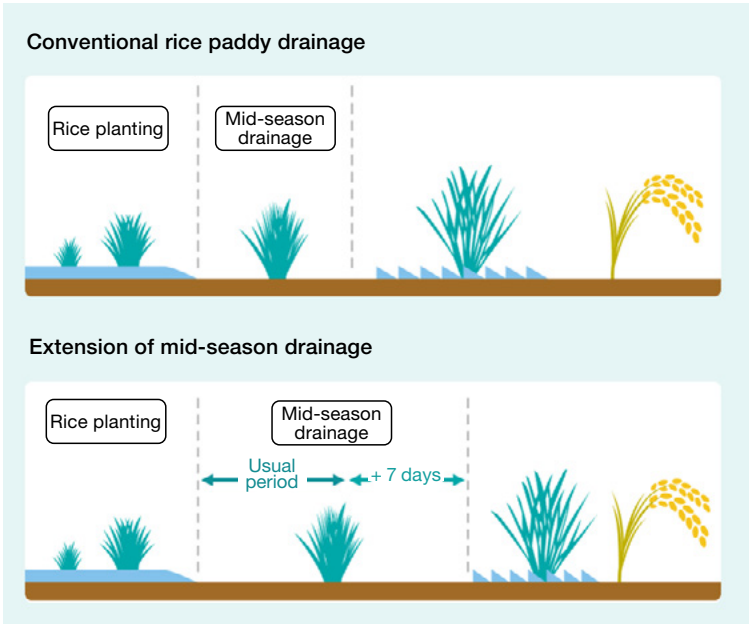
As one measure for realizing carbon neutrality, the Kubota Group is continuing to provide solutions geared towards lowering GHG emissions generated from agriculture and other activities in the society. We currently offer a service through which farmers can reduce their methane emissions and have the 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, followed by approximately 49,000 t-CO_2 in August 2025. We aim to expand its initiatives going forward.

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.

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%.

Extended rice paddy drainage period



Towards the creation of carbon credits in the Philippines and Thailand

The Kubota Group, in collaboration with Creattura Co., Ltd. and Tokyo Gas Co., Ltd., is advancing a private JCM project utilizing the Alternate Wetting and Drying (AWD) method to reduce methane emissions from paddy fields in the Philippines. The demonstration project started in September 2023, and through farmer training and the use of digital technologies, the target area has expanded to approximately 14,000 hectares. Furthermore, Siam Kubota Corporation Co., Ltd. (SKC, Thailand) is involved in a project for enhanced good practices to reduce GHG emissions in rice cultivation at Saraburi Province (approximately 6.7 ha), where it has introduced AWD based on the Premium T-VER standard. This project established a framework to enable measurement, reporting, and verification of GHG reduction effects, while satisfying the key requirements of Premium T-VER—additionality, accuracy, permanence, and the prevention of double counting. In January 2026, 60 t-CO_2 was certified as a credit.

Initiative #5 — Contribution to installation of water infrastructure resistant to weather disasters

Recently, increasing difficulty of open-cut construction due to aging water and sewerage infrastructure and the proliferation of buried equipment has become a serious issue. Moreover, the risk of aging water mains bursting has increased, along with the time and cost burden of excavating the ground to conduct investigations. Furthermore, with the increase in weather disasters, such as torrential rain and flooding due to climate change, the risk of water infrastructure damage is increasing.



Contribution to reducing disaster risk from water infrastructure aging and climate change

Kubota ChemiX Co., Ltd. provides the EX method and Danby method for building a rigid polyvinyl chloride pipe inside existing pipes. The EX method is used for small diameter pipes (10 – 60 cm), while the Danby method is used for large diameter pipes (80 cm – 3 m). Furthermore, the Danby method can also be applied to short lengths or non-circular cross-sections, such as horseshoe-shaped pipe. These methods eliminate the need for open-cut construction, ensuring durability and employing highly reliable technology with a track-record of over 50 years in use to extend the life of water infrastructure and contribute to the creation of disaster-resilient societies.



Investigating corrosion of water pipes without excavating roads

The National Institute of Advanced Industrial Science and Technology and Kubota are developing an innovating technology that can investigate the corrosion status of water pipes without excavating roads, aiming for practical application in 2028. By passing an electric current through the ground surface and measuring the electrical resistance of the soil, the system can estimate the level of corrosion for approximately 1/30th of the cost of conventional open-cut investigations and can examine up to 5,000 meters per day. Furthermore, paired with an AI-powered aging estimation service, areas of pipe with a high risk of leaking can be efficiently identified and prioritized for renewal, even on a limited budget. In this way, we will contribute to the building of disaster-resilient water infrastructure and a more resilient society. We aim to deploy the technology for practical application in 2028.

Initiative #6 — Accelerating decarbonization of agriculture by supporting the acquisition of ChoiSTAR by KSAS

KSAS
KUBOTA SMART AGRI SYSTEM

Logo for Kubota's Agriculture Support System KSAS



ChoiSTAR

The Kubota Group has added a new function to the Kubota Smart Agri System (KSAS), an agriculture support system, in order to promote climate change countermeasures in the field of agriculture. The addition has made it easy for the system to acquire ChoiSTAR certification, a Japan's Ministry of Agriculture, Forests and Fisheries led initiative that highlights initiatives to reduce environmental impacts. ChoiSTAR calculates GHG emissions and the rate of contribution to their reduction based on cultivation information, such as amounts of chemical fertilizer, agrichemicals, and fossil fuels used, as well as water management of rice paddies, and provides a ranking based on a number of stars, which is easy to disclose. This makes it easier for consumers to select agricultural produce that is environmentally considerate, helping to build a sustainable food system. Kubota has been promoting initiatives to decarbonize agriculture, including the development of agricultural machinery that contributes to reducing the use of chemical fertilizers and agrochemicals. Other initiatives include reducing methane emissions by extending the mid-season drainage period in rice cultivation and supporting the creation of J-credits. With the recent addition of a new function, we will further promote initiatives to reduce the environmental impact of agricultural producers, thereby supporting increased added value and profitability improvement.

Working towards a Recycling-based Society

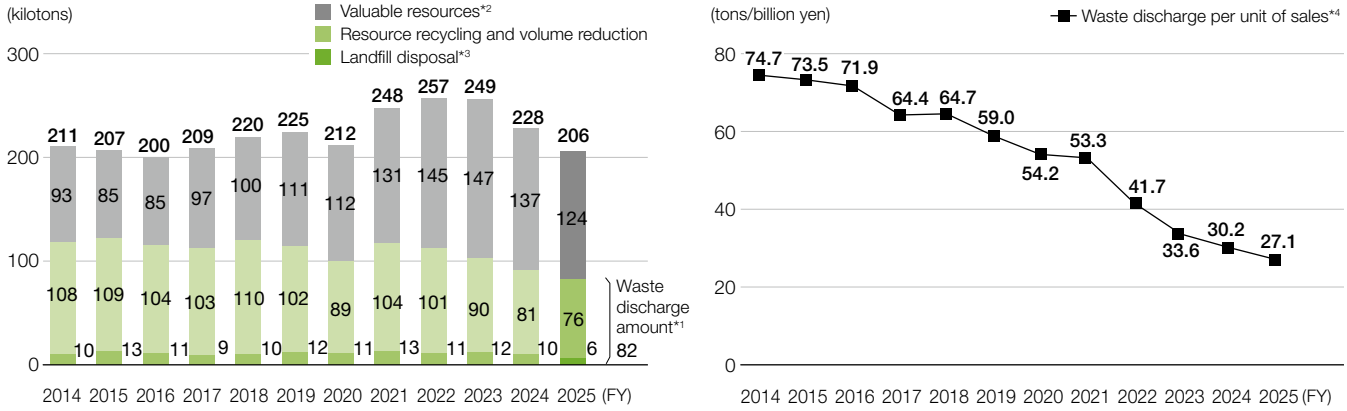
As a result of being a mass-production, mass-consumption, and mass-disposal society, we now face many problems such as the depletion of resources and increasing waste. The increase in plastic waste has led to marine plastic pollution in the world's oceans–now a serious problem for society.

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 FY2025, the waste discharge amount was 82 kilotons, a decrease of 10.2% compared to the previous year. Also, waste discharge per unit of sales improved by 10.2% 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 steps to reduce waste generated at machinery sites. Waste discharge per unit of sales improved as consolidated net sales were about level with the previous year while the amount of waste discharge decreased. Of the waste discharge amount in FY2025, the amount of hazardous waste discharge was 7.7 kilotons, up 3.6% from the previous year.

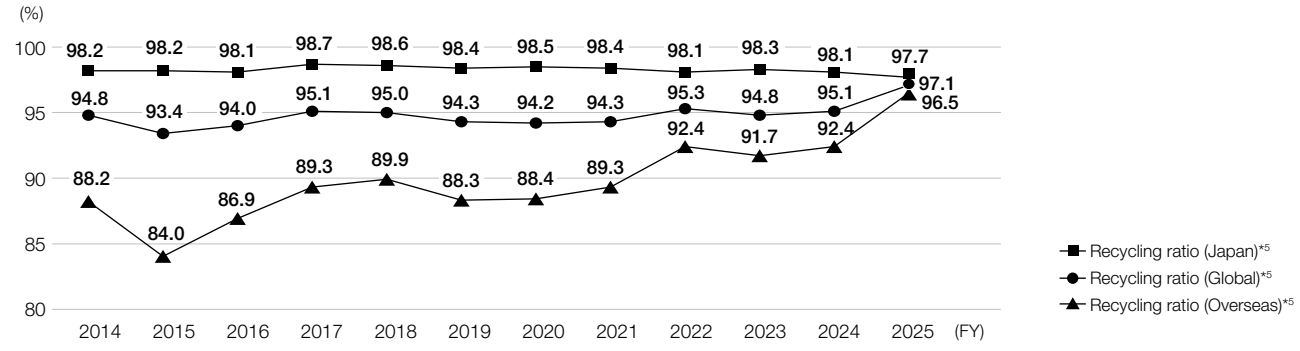
Trends in Waste, etc. (including valuable resources) and Waste Discharge per Unit of Sales



*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 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 FY2025 was 97.7% in Japan, a decrease of 0.4 points from the previous year, but overseas improved by 4.1 points to 96.5%. Globally, it improved 2.0 points to 97.1%. We will make continuous efforts to improve the resource recycling ratio.

Trends in Recycling Ratio



*5 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

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.116).

Measures to Reduce Waste

The Kubota Group has established the Medium-Term Environmental Conservation Targets (p.47-48) 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 2025, the Group was able to reduce wastes such as slag and dust, by approximately 1,300 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 2,300 tons of waste in FY2025 compared with the case where countermeasures were not implemented from the previous year. The economic effects of these measures reached 13 million yen. Waste discharge per unit of production in FY2025 improved by 58.4% compared to the base year (FY2014). The recycling ratio was 99.4% at production sites in Japan and 96.7% at production sites overseas.

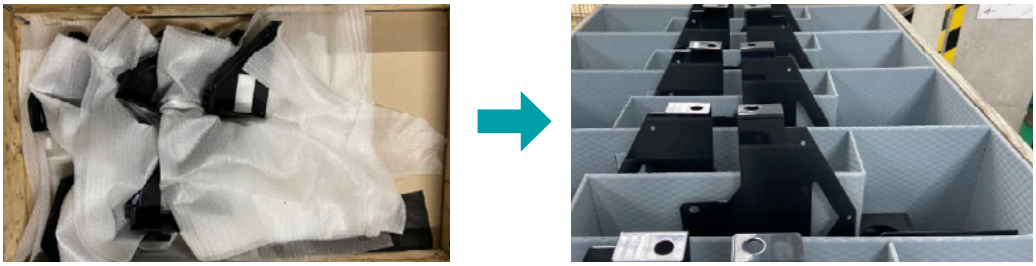
Moreover, production sites in Japan have raised the utilization rate of electronic manifests to 99.0%, enabling real-time assessment of the reduction effects. We will continue to promote the reduction of waste through encouraging sharing of good reduction practices and visualization of waste by utilizing electronic manifests.



Plastic film for securing products in storage was discontinued, resulting in waste reduction.

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

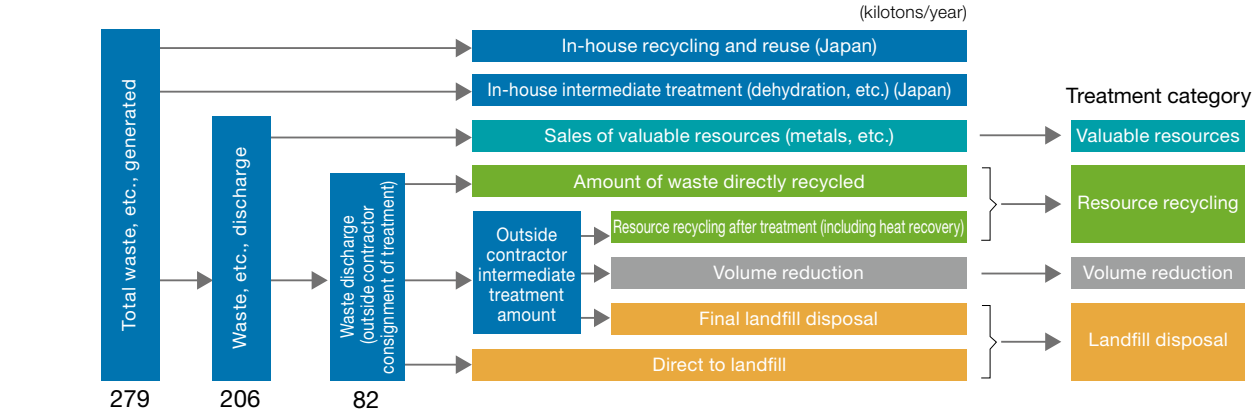
Waste Management

The Kubota Group monitors the status of waste discharge at all 190 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.

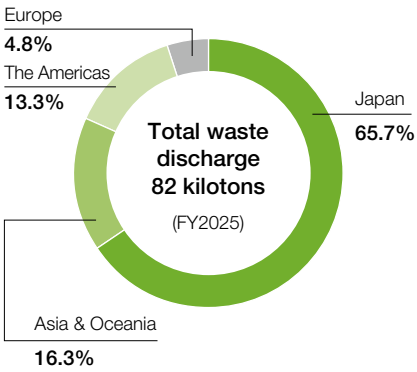
[Overview of waste management-related rules in environment-related rules and regulations]

- 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.

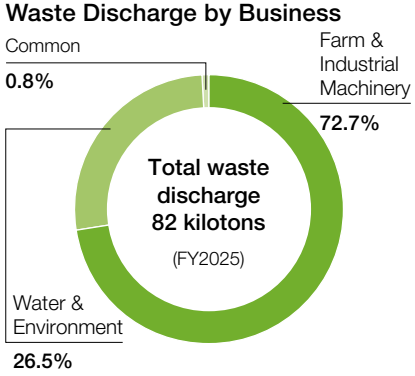
Waste Recycling and Treatment Flow (FY2025 results)



Waste Discharge by Region

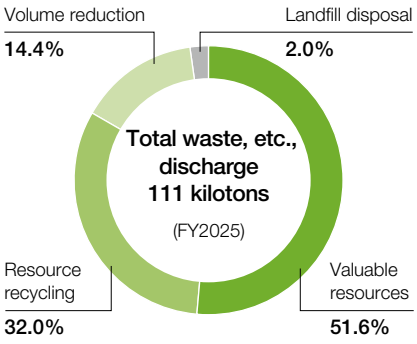


Waste Discharge by Business

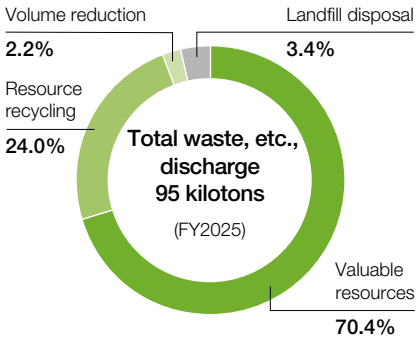


Waste, Etc., Discharge by Treatment Category

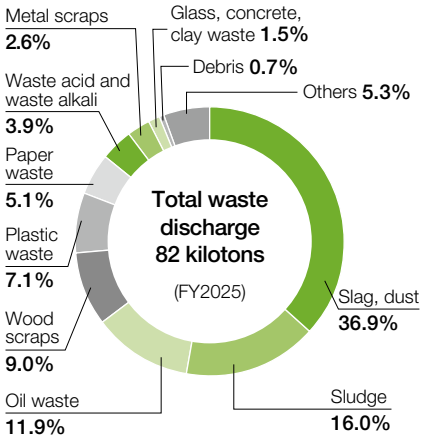
● Japan



● Overseas



Waste Discharge by Type



For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.116).

Waste discharge amounts at each production site Click

Environment-conscious Procurement Policies

The Kubota Group's Environmental Action Guidelines and Green Procurement Guidelines require that procured items are resource efficient, use recyclable materials, and offer enhanced durability. Through our procurement activities, we will promote the use of sustainable resources, thereby striving to contribute to the realization of a circular economy.

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.



Use of personal drink bottles is encouraged at many Kubota Group bases as a measure to reduce plastic waste.

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.

Conserving Water Resources

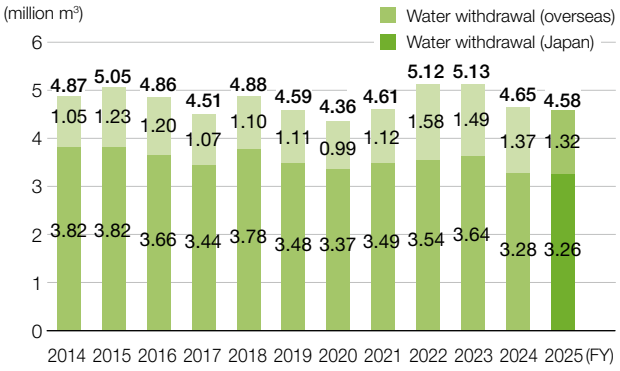
The OECD's 2012 report entitled Environmental Outlook to 2050 states that during the period between 2000 and 2050, global demand for water will increase by approximately 55% owing to economic development and population increase, while more than 40% of the world's population will be living in river basins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

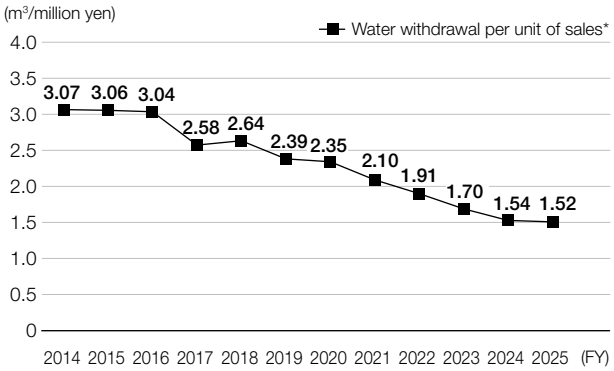
The Kubota Group sees conserving water resources as one of its materiality issues, and has been advancing initiatives to promote the effective utilization of water resources and to address water risks, such as the reduction of water withdrawal by promoting water saving and wastewater recycling, and the 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 FY2025, water withdrawal was 4.58 million m^3, a decrease of 1.5% compared to the previous year. Water withdrawal per unit of sales also improved by 1.6% compared to the previous year. Due to changes in the production items and production processes at casting production sites, water withdrawal decreased slightly 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.47-48) 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 FY2025, we reduced water withdrawal by using MBR treatment to recycle water and by reducing defect rates and improving yield, 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 70,000 m^3 in FY2025 compared to the case where countermeasures were not implemented from the previous year. The economic effects of these measures reached 5 million yen compared to the previous year. Water withdrawal per unit of production in FY2025 improved by 40.4% compared to the base year (FY2014).

Initiative of Collaboration with Other Companies

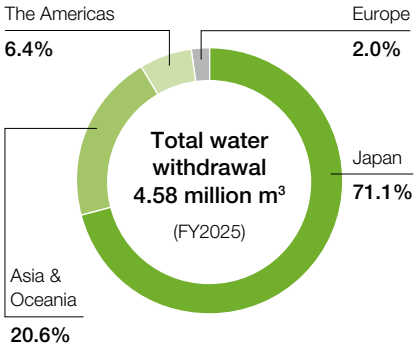
In response to a demand from Osaka City to improve the water quality of the Dotonbori River and the Higashi Yokobori River, we installed a state-of-the-art smart MBR sewage processing system, SCRUM, jointly developed by Kubota and Toshiba, at the Nakahama Sewage Treatment Plant. It has improved the efficiency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



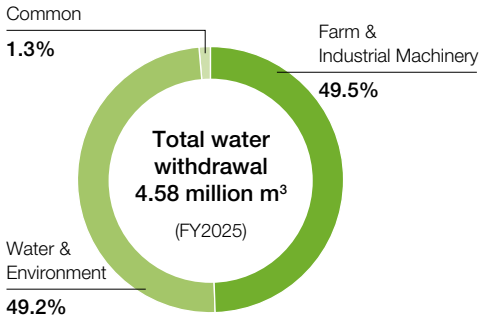
At the Nakahama Sewage Treatment Plan, waste water is treated using membrane bioreactor (MBR) treatment.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.116).

Water Withdrawal by Region

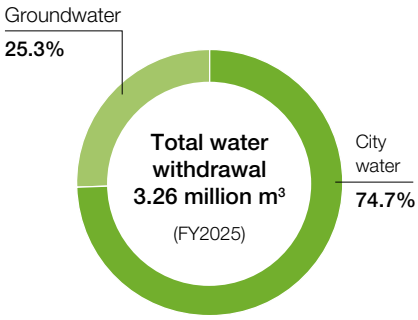


Water Withdrawal by Business

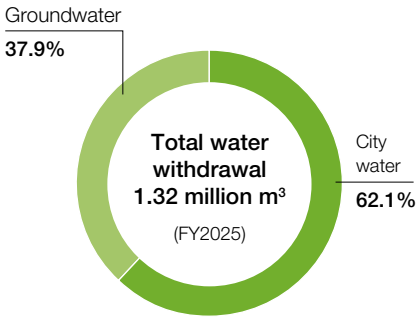


Water Withdrawal by Type

● Japan



● Overseas



Water withdrawal amounts at each production site Click

Water Management

Ascertaining the status of water withdrawal

The Kubota Group continuously monitors water withdrawal amounts at all 190 of its sites (100%), and rigorously manages withdrawal based on data. In this way, we accurately grasp the status of water withdrawals globally, creating a basis for improvement measures.

Training for efficient use of water

Kubota's Environmental Protection Department is working to improve frontline practical capabilities of personnel responsible for production sites by sharing best practices and proposing improvement strategies.

Monitoring the status of water use efficiency improvements

We have set targets for improving water withdrawal per unit of production for all 73 production sites (100%), and we revise the medium-term environmental implementation plans, including our initiatives to improve water use efficiency, every six months. The head office monitors the status of progress and supports improvement measures as necessary to promote sustainable water resource management.

Details of water management Click

Water quality management

[Overview 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 FY2025 was 4.62 million m^3 (0.81 million m^3 into surface water, 1.85 million m^3 into seawater/ocean, and 1.96 million m^3 into sewage), a decrease of 8.1% 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.116).

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.

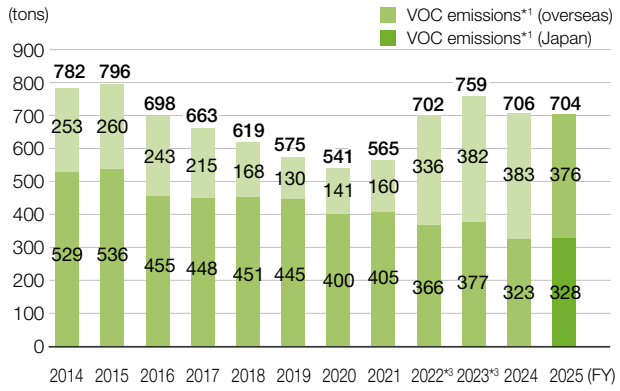
The Kubota Group sees controlling chemical substances as one of its materiality issues, and has been advancing initiatives toward reducing the burden on the environment from chemical substances, including the reduction of VOCs (volatile organic compounds) generated in coating processes at production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

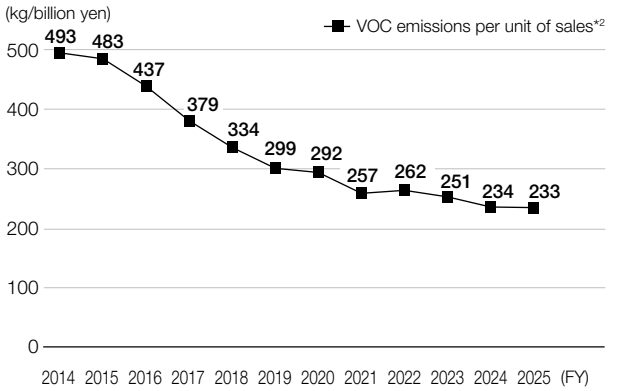
VOC Emissions

In FY2025, VOC emissions were nearly the same as the previous year at 704 tons. VOC emissions per unit of sales also saw almost no change.

In Japan, though we implemented improvements to painting processes and switched to low-VOC paints at our machinery production sites, VOC emissions increased by 5 tons due to higher production volumes at our casting production sites, which use large amounts of VOCs. Overseas, VOC emissions decreased by 7 tons due to lower production volumes. As a result, since consolidated revenue remained virtually flat (up 0.09% year on year), VOC emissions per unit of sales stayed nearly the same.

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 Emissions increased in FY2022 due to establishing new production sites and in FY2023 due to increases in production.

Measures to Reduce VOCs

The Kubota Group has established the Medium-Term Environmental Conservation Targets (p.47-48) 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 FY2025, 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 2.7 tons in FY2025 compared to the case where countermeasures were not implemented from the previous year.

VOC emissions per unit of production in FY2025 improved by 42.1% compared to the base year (FY2014).

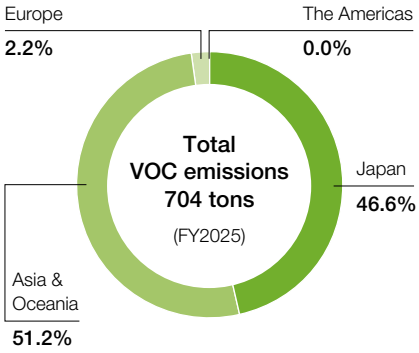
We will continue to promote the reduction of VOC emissions by introducing exhaust treatment equipment that is conscious of compliance with laws and the reduction of impacts on neighborhoods, in addition to the efforts to stop the use of VOC-containing paint and thinner or replace them with substitutes.



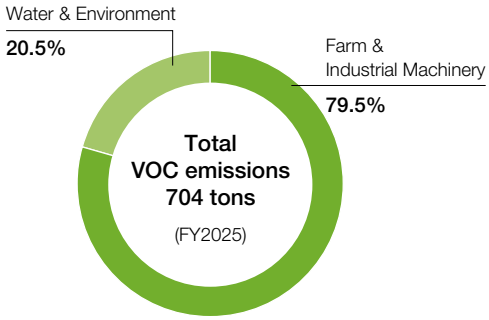
Kubota Engine (WUXI) Co., Ltd. (China) has installed a regenerative thermal oxidizer (RTO) and is working to reduce its VOC emissions.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.116).

VOC Emissions by Region

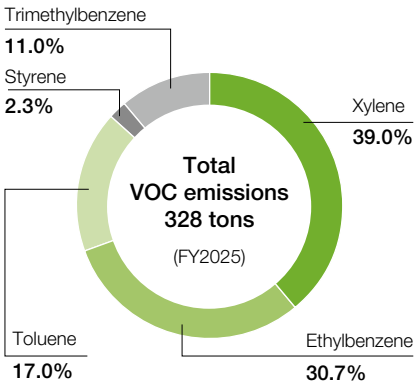


VOC Emissions by Business

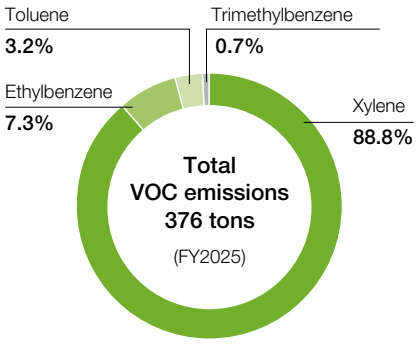


VOC Emissions by Substance

● Japan



● Overseas



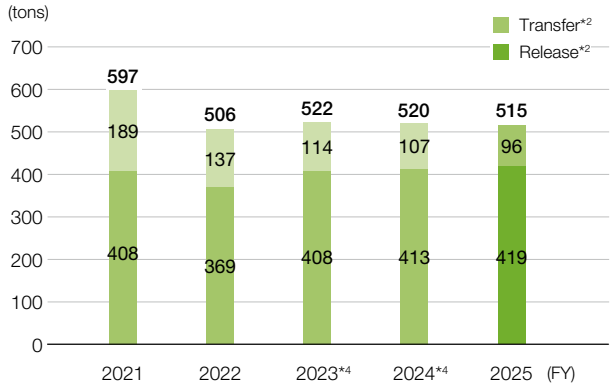
VOC emission amounts at each production site Click

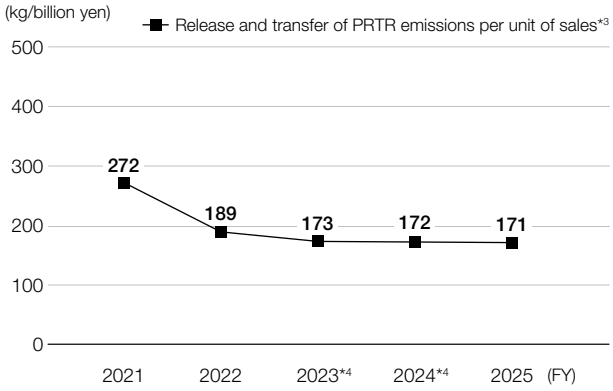
Release and Transfer of PRTR-designated Substances

In FY2025, a total of 515 tons of substances stipulated in the PRTR Law*1 were released and transferred, a decrease of 1.0% compared to the previous year. Additionally, the release and transfer per unit of sales improved by 1.0% compared to the previous year. Similar to reduction of VOC emissions, the Group is promoting the ongoing measures to reduce PRTR-designated substances.

*1 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)





*2 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))
*3 Release and transfer of PRTR-designated substances per unit of consolidated net sales. The Kubota Group adopted International Financial Reporting Standards (IFRS).
*4 The figures for FY2023 and FY2024 have 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.116).

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 FY2025 were 26.5*4 tons for SOx, 89.6 tons for NOx, and 72.0 tons for soot and dust. We will continue to reduce emissions of air pollutants through initiatives such as controlling sources by fuel conversion and maintaining dust-collecting equipment.

*4 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.116).

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 (FY2025)

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*5 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.

*5 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.

Policy on Conservation of Biodiversity and Natural Capital

The Kubota Group considers the conservation of biodiversity and natural capital to be an important corporate responsibility and 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. In line with our internal regulations on conservation of biodiversity and natural capital, we work to curb deforestation and avoid and reduce negative impacts on ecosystems through business and social contribution activities.

Kubota has established Preservation of Biodiversity and Natural Capital Guidelines to promote specific measures. Based on these guidelines, we strive to reduce the environmental impacts associated with our business activities through measures such as mitigation and adaptation to climate change, conservation of water resources, effective use of resources, reduction of waste, and management of chemical substances. We also participate in the establishment of biotopes and green areas, tree planting activities, and activities for protection of local areas. Through these initiatives, we contribute to maintaining the health of natural capital and realizing a sustainable society.

KUBOTA Group Preservation of Biodiversity and Natural Capital Guidelines

The Kubota Group regards “Conserving Biodiversity” as one of the five basic items for environmental conservation, and will endeavor to give consideration to the conservation of biodiversity and natural capital in corporate activities, provision of products and services, and social contribution activities, taking into account the impact on natural capital.

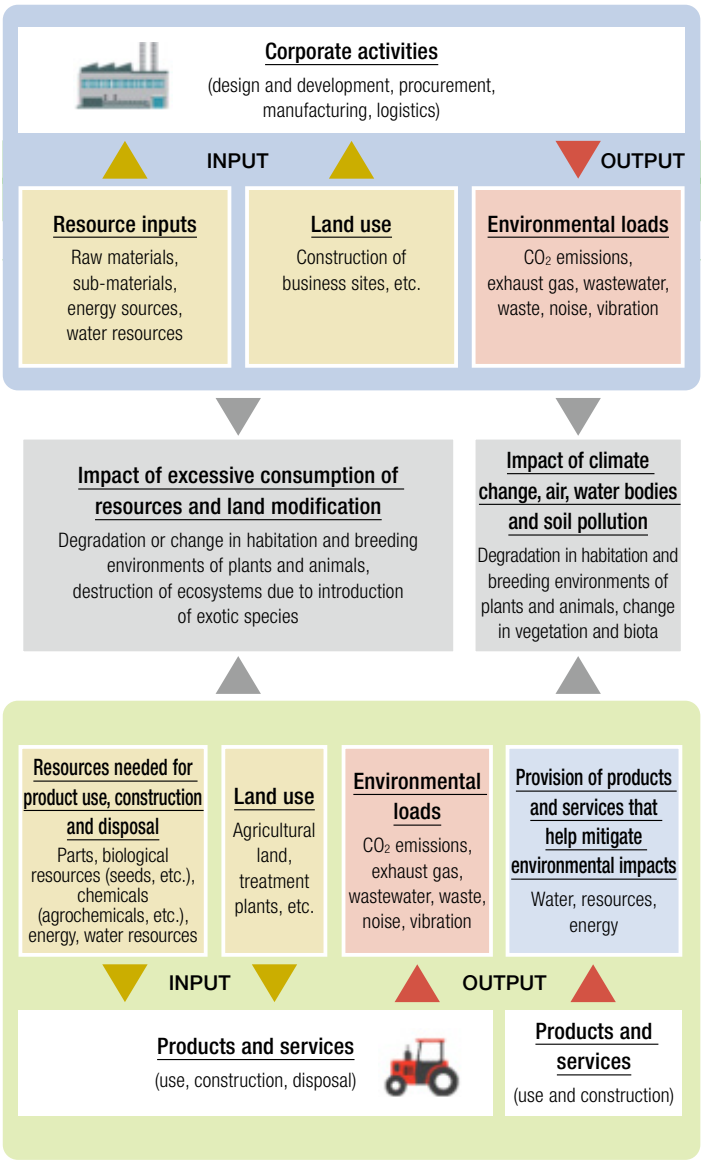
1. Major initiatives in corporate activities
   1) At the design and development stage, we conduct product environmental assessments to evaluate the impact on natural capital.
   2) At the procurement stage, we present our “Green Procurement Guidelines” to our suppliers and require them to give consideration for biodiversity conservation and suppression of deforestation.
   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. Major initiatives in products and services
   1) By providing products and services with less environmental loads through fuel efficiency and exhaust gas purification, for example, we are striving 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 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. Major initiatives in social contribution activities
   1) Through our social contribution activity, the “Kubota e-Project” 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	p.49 p.183
B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	Environmental Management Promotion System	p.49
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	p.105 p.125 p.183
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	p.40 p.41
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	p.41 p.42 p.56
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	p.43 p.56 p.96
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	p.40
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	p.40
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)	p.49 p.96 p.196 p.197
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	p.49 p.183 p.196
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.	Initiatives to Realize the Long-Term Vision	Click
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	p.46
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, Initiatives to Realize the Long-Term Vision	p.46 Click

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 p.57). 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.

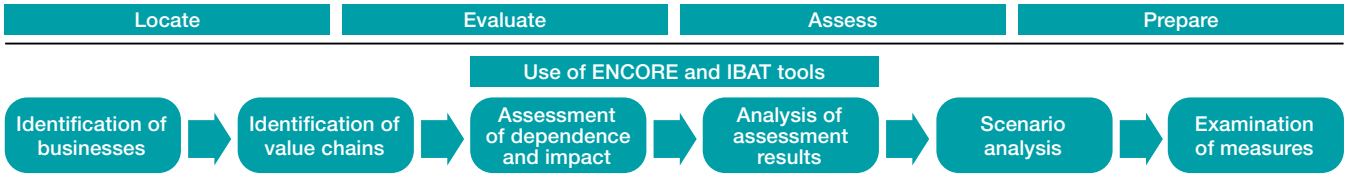
Strategy

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



Disclosure in Accordance with the TNFD Recommendations

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

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

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.

Disclosure in Accordance with the TNFD Recommendations

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 p.59)

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

The Kubota Group has set targets designed to reduce risks and expand opportunities in relation to conservation of natural capital and biodiversity. The following are our metrics and targets for activities at our own production sites related to risks and opportunities identified through our TNFD strategy. 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 (P46-47).

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	—	—

We used ENCORE analysis to assess the factors that have an impact on natural capital in manufacturing at our own production sites. Core global disclosure metrics related to direct operations are as shown below. At present, we do not have sufficient knowledge regarding methods for accessing and collecting data for indicators across the upstream and downstream value chain, and therefore no data is currently available for disclosure. We will continue striving to expand the data on relevant metrics.

Core global disclosure metrics related to direct operations

Metric no.	Driver of nature change	Metrics	Relevant section/reason for no applicability	Relevant page
C1.0	Land/freshwater/ ocean-use change	Total spatial footprint	Site Report	Click
C1.1		Extent of land/freshwater/ocean-use change	Assessment of ecosystem around production sites	p.91
C2.0	Pollution/pollution removal	Pollutants released to soil split by type	Calculation Results of PRTR-designated Substances	p.114
C2.1		Wastewater discharged	Trends in Major Environmental Indicators—Water System Discharge	p.112
C2.2		Waste generation and disposal	Trends in Major Environmental Indicators—Valuable/ Waste	p.111
C2.3		Plastic pollution	The phenomenon was not found	—
C2.4		Non-GHG air pollutants	Trends in Major Environmental Indicators—Atmospheric Discharge	p.113
C3.0	Resource use/ replenishment	Water withdrawal and consumption from areas of water scarcity	Regional water stress analysis	p.90
C3.1		Quantity of high-risk natural commodities sourced from land/ocean/freshwater	Not applicable	—

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 72 sites in 16 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 (FY2025)

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	1,587 <10>	1,403 <16>	1 <1>
	China	64 <1>	0	16 <2>	0.4 <1>	0
	Indonesia	10 <1>	0	0	0	0
	Thailand	217 <6>	8 <1>	0	0	0
	India	485 <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	19 <1>	0
	Netherlands	0	0	0	0	11 <1>
	Germany	0	0	8 <1>	0	5 <2>
	France	0	0	0	4 <1>	1 <1>
	Spain	0	0	1 <1>	0	0
	Poland	0	0	0	1 <1>	0
	Italy	7 <2>	0	0	0	1 <1>
North America	Canada	0	0	0	0	45 <1>
	United States	37 <8>	0	147 <3>	0	0
Total		821 <25>	8 <1>	1,758 <17>	1,426 <21>	82 <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 26 production sites, located in the Chinese city of Suzhou, Indonesia, Thailand, 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 17 production sites situated in Japan’s Kanto region and Aichi Prefecture, the southeast United States and a number of locations in Europe, which together account for approximately 43% of total water withdrawal. Production sites in the “Middle-Low” and “Low” categories accounted for approximately 37% 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	72	25 (34.7%)
Water withdrawal (thousand m^3)	4,095	821(20.0%)

Reducing water use in water-stressed regions

The Indian state of Haryana, where Escorts Kubota Limited's factory is located, has mandated the adoption of water-saving measures at factories. To reduce water use, several factories have installed large underground pits to store rainwater that runs off from areas such as rooftops. Stored rainwater is used for watering green areas around the factories in an effort to minimize the impact on the water environments of India, a country known to have many water-stressed regions. Actually, Escorts Kubota Limited's ECE factory saved 17,520 m^3 water in FY2025.



Construction of an underground pit for storing rainwater

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, 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 72 production sites globally. As a result of the IBAT analysis, we found that in the nature protection areas near 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, two areas in category V, and one area in category VI. We did not find any sites in areas classified as World Heritage, MAB, and IUCN management categories Ib/II.

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. The designated nature protection areas include one place in Thailand where the entire region is designated as a protected area, and we found that our production site (approx. 80,000 m^2) is also included inside that area. At sites where nature protection areas are confirmed to be nearby or inside the site, we informed and raised awareness among employees, mainly through environmental education, site cleanup, and social contribution activities through community collaboration. At these and other Kubota production sites, we conduct rigorous environmental risk management activities, making use of our environmental management systems to prevent environmental accidents and risks from occurring. The status of these management initiatives is confirmed through audits and other means by the Environmental Protection Department, which oversees environmental management.

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	1
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
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

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

We are engaged in social contribution activities through biotope conservation inside our business sites and clean-up and greening of areas around sites. We also promote maintenance of environments for various living organisms and promote 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 Kasui (Thailand) Co., Ltd. in Thailand held a Seed Bomb event, spreading plant seeds in forest areas as a forest restoration initiative.

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

Ecosystem Protection

Species management



Kubota Research and Development Asia Co., Ltd. in Thailand undertook an activity to return 80 crabs to a mangrove forest in order to support the recovery of marine ecosystems and natural breeding, and to contribute to the protection of coastal wildlife.

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 p.147.



At Kverneland Group Ibérica (Spain), all employees participated in a beach cleanup activity at a nearby beach.



KUBOTA Engine (Thailand) Co., Ltd. (Thailand) conducted a cleanup activity in the open area in front of the factory with the aim of contributing to the maintenance of the local environment and the preservation of a healthy ecosystem.

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

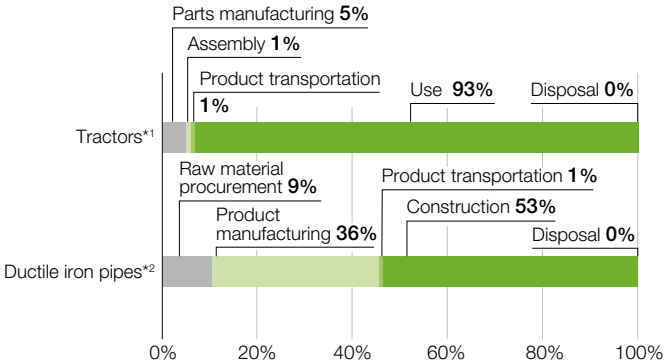
Use
- Reduction of fuel consumption
- Improving efficiency, saving labor for work and management
- Improving ease of maintenance, extending product life
- Reduction of exhaust gas
- Reduction of noise, vibration
- Next-generation power such as electrification

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.

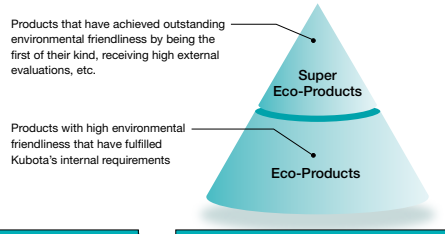
Greenhouse gases emitted in the use stage account for around 90% in the lifecycle of agricultural tractors, while gases emitted in the manufacturing and construction stage account for around 90% in ductile iron pipes. Thus, the frequency and scale of environmental loads in the lifecycle vary depending 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.

Kubota has set out a global policy of promoting environmentally conscious product development. In line with this policy, we use an evaluation sheet to conduct a comprehensive environmental assessment of the product from the design stage, including aspects such as durability, maintainability, use of recycled resources and parts, and recyclability upon disposal. In this way, we are promoting manufacturing that will reduce the environmental impact of products throughout their lifecycle and promote resource recycling.



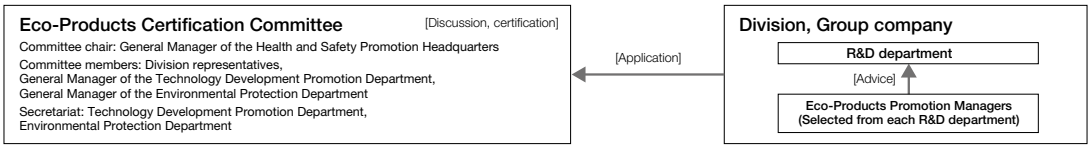
Five basic items for environmental conservation

- Mitigating and Adapting to Climate Change
- Working towards a Recycling-based Society
- Conserving Water Resources
- Controlling Chemical Substances
- Conserving Biodiversity

Evaluation items	Evaluation criteria examples
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? • Does the product reduce maintenance time and use fewer parts compared to conventional products? • Does the product extend the service life and warranty period of parts and products compared to conventional products?
3. Recycling Using recycled materials and recycled rare metals, etc.	• Does the product or 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

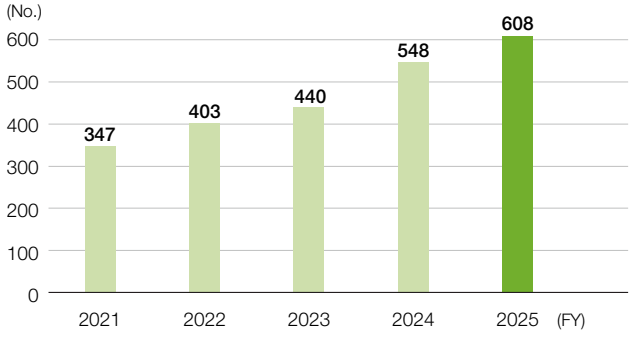
The Eco-Products Certification Committee, chaired by the General Manager of the Health and Safety Promotion Headquarters, consists of the committee members elected from each Division, as well as the Technology Development Promotion Department and the Environmental Protection Department. Upon receiving 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.



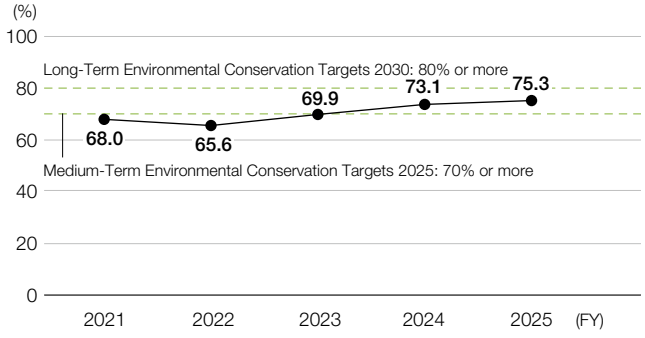
The Pathway to Expanding Certified Eco-Products

Based on our internal certification system established for Eco-Products, the Kubota Group certified an additional 60 products in FY2025, bringing the total number of certified Eco-Products to 608. The sales ratio of Eco-Products was 75.3% versus the Medium-Term Environmental Conservation Targets 2025 of 70% or higher. 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

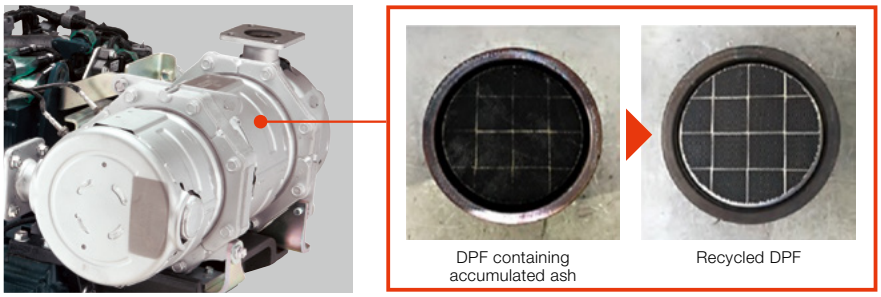


*1 The sales ratio of products that have fulfilled the internal requirements in our own Eco-Products Certification System
Sales ratio of Eco-Products (%) = Sales of Eco-Products / Sales of products (excluding construction work, services, software, parts and accessories) × 100
*2 The net sales of products,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

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.

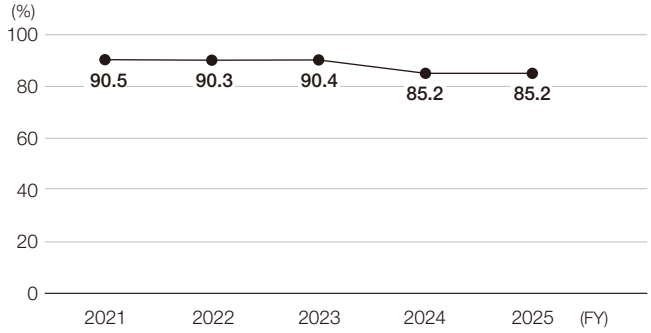
Recycled Products

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.

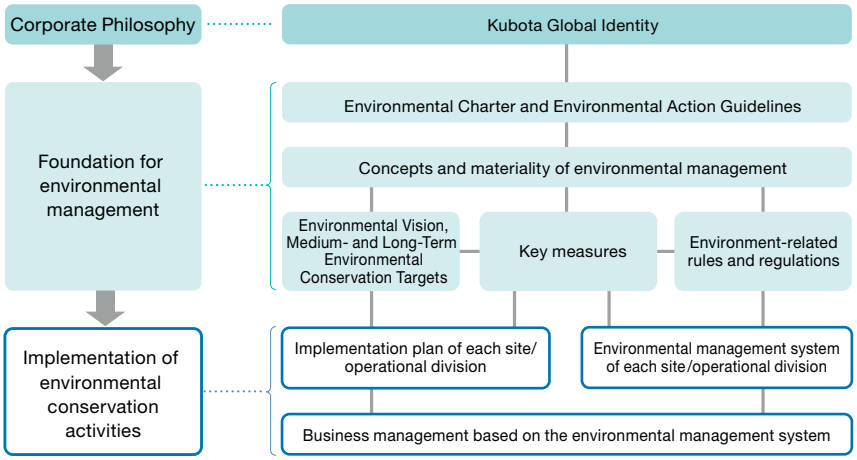
Kubota has established a policy of responding promptly and appropriately in the event of an environmental accident or urgent situation. The policy applies to all of the Kubota Group, and it is comprehensive, covering emergency situations, environmental accidents, on-site inspections by government authorities, environmental complaints from neighbors, and even the risk of natural disasters. The policy prioritizes prevention of harm to people and prevention of environmental pollution spread, while stipulating the systematic implementation of measures such as establishment of communication networks, measures to prevent leaks, and emergency response drills.

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 2025 we had one case of an oil leak, one case of wastewater exceeding regulation levels, and one case of inappropriate disposal of waste. 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.



Oversight by Directors and Executive Officers

Approval of Environmental Policy

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.

Environmental Performance Monitoring

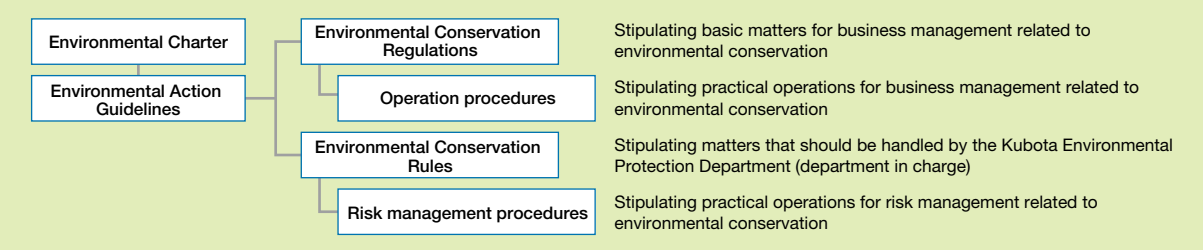
The Environmental Action Guidelines call for the promotion of environmental conservation at every stage of corporate activities. To implement this, we have established the Environmental Conservation Rules, which stipulate environmental audits to be conducted in accordance with the company-wide internal 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 based on the environmental management promotion structure. 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 Kubota Group executives and 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.



Environmental audit at Kubota Farm Machinery Europe S.A.S (France)
* The environmental audit involves both on-site and remote audits.

FY2025 Environmental Audit Implementation Status

- Number of sites: 303 (290 sites and 13 agricultural machinery sales companies)
- Number of audit items: 30 (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 Implementation Status

		Production sites	Offices	Service sites		Construction departments	Maintenance management departments*3
				Agricultural machinery distributors	Other		
Group companies in Japan	Number of sites audited	26*1	79	13 companies*2	85	61	10
	Number of audit items	35	43	54	54	40	30
Overseas group companies	Number of sites audited	29	–	–	–	–	–
	Number of audit items	30					

*1 Includes some non-production sites
*2 For agricultural machinery distributors, the audit was conducted on a company basis instead of on a site basis.
*3 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 2025, 53 (coverage rate* of 94.9 %) 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 29 overseas sites (coverage rate* of 88.1 %) 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 FY2025, 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 2025, of the 120 environmental conservation activities that were submitted from our suppliers in Japan, 13 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.

In our due diligence, we ask suppliers to conduct self-assessments, analyze the assessments, and visit suppliers' sites as necessary. During visits, we share information related to Kubota's medium- to long-term environmental strategy and energy-saving initiatives. We cooperate with suppliers to promote the building of sustainable value chains.

We are also strengthening our coordination with direct suppliers on an individual site basis. 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 2025

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

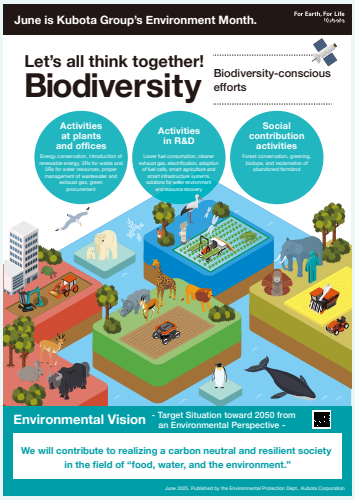
Classification	Course title	Frequency	No. of participants	Course description
Education by employee-level	ESG Forum for executive management	1	540	Lecture on “Initiatives to Enhance Corporate Value through Ajinomoto Group’s ASV Management” by Tatsuya Sasaki, Director, Executive Officer & Senior Vice President, General Manager, Corporate Division, Ajinomoto Co., Inc.
	Training for new employees in staff positions	1	285	Global and local environmental issues and the Kubota Group’s environmental conservation activities
	Training for newly appointed foremen	1	18	The Kubota Group’s environmental management and efforts as foremen
	Training for newly appointed supervisors	2	44	The Kubota Group’s environmental management and efforts as supervisors
Professional education by subject	Basics of environmental management	1	23	Basic knowledge of environmental issues, environmental laws and regulations, and environmental risks, etc.
	Waste management (Basic)	3	69	Key points concerning waste-related laws, waste management, and reduction
	Waste management (Advanced)	1	25	Specialist knowledge concerning waste-related laws, waste management, and reduction
	Environment-related facility management	1	19	Pollution prevention-related laws and pollution prevention facilities and technologies
	ISO 14001 introductory course	4	47	Overview of ISO 14001 standard
	Education to train ISO 14001 environmental auditors	10	84	The ISO 14001 requirements, environment-related laws, and audit techniques
e-learning	Environmental conservation at service sites	1	4,047	Response to environmental laws and management points at service sites
	Basic knowledge of waste management	1	2,869	Basic knowledge of laws and regulations related to waste management
	Environmental management for construction work	1	409	Environmental laws and regulations relating to construction work and their observation and management
	Environmental patrols of production sites	1	3,044	Check points in environmental patrols of production sites
Total		29	11,523	

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 2025, we implemented activities with the theme of “Let’s all think together! Biodiversity”

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


Beekeeping as a community contribution (United States)


Planting terraced rice fields (Japan)


Home vegetable garden using plastic cups (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 FY2025, environmental conservation activities were evaluated in five categories: production, non-production, products, education and awareness-raising, and social contributions. Twenty-eight 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. Three 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 2025

Category	Company, department	Theme
Production	Kubota Keiyo Plant (Japan)	Initiatives for environmental conservation activities at Kubota Keiyo Plant
	Kubota Agricultural Machinery (Suzhou) Co., Ltd. (KAMS)(China)	VOC emission reduction and energy saving through a recirculating air-conditioning system in the painting process at the No. 2 Plant.
Product	Kubota Global Institute of Technology (KGIT) (Japan) Kubota Utsunomiya Plant (Japan)	Combine harvester DIONITH DRH1200 (Japan)

Environmental Achievement Awards in 2025 by categories

Category	Classification, No. of winners
Production	Excellent Prize: 2, Encouragement Award: 9
Non-production	Encouragement Award: 5
Product	Excellent Prize: 1, Encouragement Award: 6

Category	Classification, No. of winners
Education and awareness-raising	Education and Awareness-Raising Award: 3
Social contributions	Social Contributions Award: 2

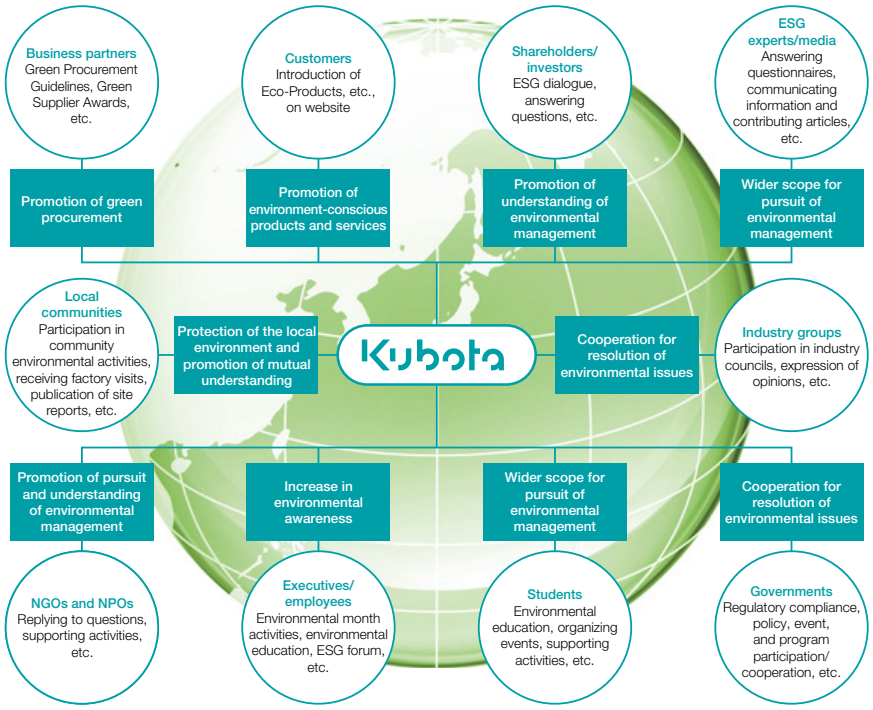
Environmental Communication

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

Kubota has declared its support for the Decokatsu (decarbonization and eco) national movement, which encourages changes in the behavior and lifestyles of citizens and consumers. We have also 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.

Decokatsu 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 External Evaluations and Awards

Kubota Earns CDP's Highest Rating for Both Climate Change and Water Security

The Kubota Group has been selected as an A-list company in both the Climate Change and Water Security*1 categories by CDP*2, a non-profit organization that examines and discloses international environmental information. This marks the second time we have been selected for the A list in the Climate Change category and the sixth time in the Water Security category.



*1 An information disclosure program concerning corporate climate change action and water security. CDP requests companies to identify and assess climate-related and water-related business risks and opportunities, and to disclose information on the formulation and implementation of policies and strategies. The results are rated on an eight-point scale, with Companies that demonstrate best practices in climate change and water security being selected for the A List, which is the highest rating.

*2 CDP is an international non-profit organization with a global system for corporate and municipal environmental information disclosure. Since its establishment in 2000, CDP has been at the forefront of initiatives that leverage capital markets and corporate purchasing power to encourage companies to disclose environmental impacts, reduce greenhouse gas emissions, and protect water resources and forests.

Kubota Receives the Fiscal 2025 Logistics Awards

Kubota received the Social Special Award at the 2025 Logistics Awards.

This award is presented each year to companies and organizations that have achieved excellence in logistics as part of the Logistics Awards sponsored by the Japan Institute of Logistics Systems.

This time the award was given in recognition of Kubota's leadership in coordination between private-sector companies at Tokyo Port to level out transport time slots and reduce the burden on drivers. In addition, Kubota also received strong recognition for verifying GHG emissions reduction effects, and coordinating with materials handling companies and logistics companies in multifaceted initiatives considering systemic, operations, and awareness factors.



Award ceremony hosted by the Japan Institute of Logistics Systems

Siam Kubota Corporation Co., Ltd. Received T-VER Premium Award

Siam Kubota Corporation Co., Ltd. (SKC, Thailand) engaged in a project to promote sustainable agriculture methods in rice production, in which it employed alternate wetting and drying (AWD) technology to achieve a reduction in methane emissions, increased water usage efficiency, cost reduction, and lifestyle improvements for farmers. The project satisfies the criteria for Thailand's Premium Voluntary Emission Reduction Program, Premium T-VER (additionality, accuracy, permanence, and no double counting), and has achieved emissions reductions that are measurable, reportable, and verifiable. The award recognizes the success of the project. Receiving it is an important step for SKC in playing a role as a leader in low-carbon agriculture and promoting long-term initiatives toward the achievement of corporate and national carbon neutrality targets through collaboration with domestic and overseas partners.



Award ceremony hosted by Thailand Greenhouse Gas Management Organization (TGO)

Practice Report



Figures indicate CO_2 emissions generated from activities related to the event. All CO_2 emissions generated from the event have been offset.

Carbon Neutral Initiatives at SIAM KUBOTA Corporation Co., Ltd.

At the "Climate Action & Business Strategy towards Carbon Neutrality" event, SIAM KUBOTA Corporation Co., Ltd. (SKC, Thailand) declared its commitment to supporting the achievement of Thailand's Nationally Determined Contribution (NDC) targets and emphasized the integration of climate strategies across business activities, supply chains, and society as a whole. SKC aims to achieve net-zero emissions by 2050 and reduce emissions by at least 50% by 2030 through innovation in agricultural technology and collaboration with partners. In addition, SKC held the "Kubota Annual Meeting 2025" as a carbon-neutral event, calculated emissions of 66 tons CO_2e, and offset 100% of them using certified carbon credits.

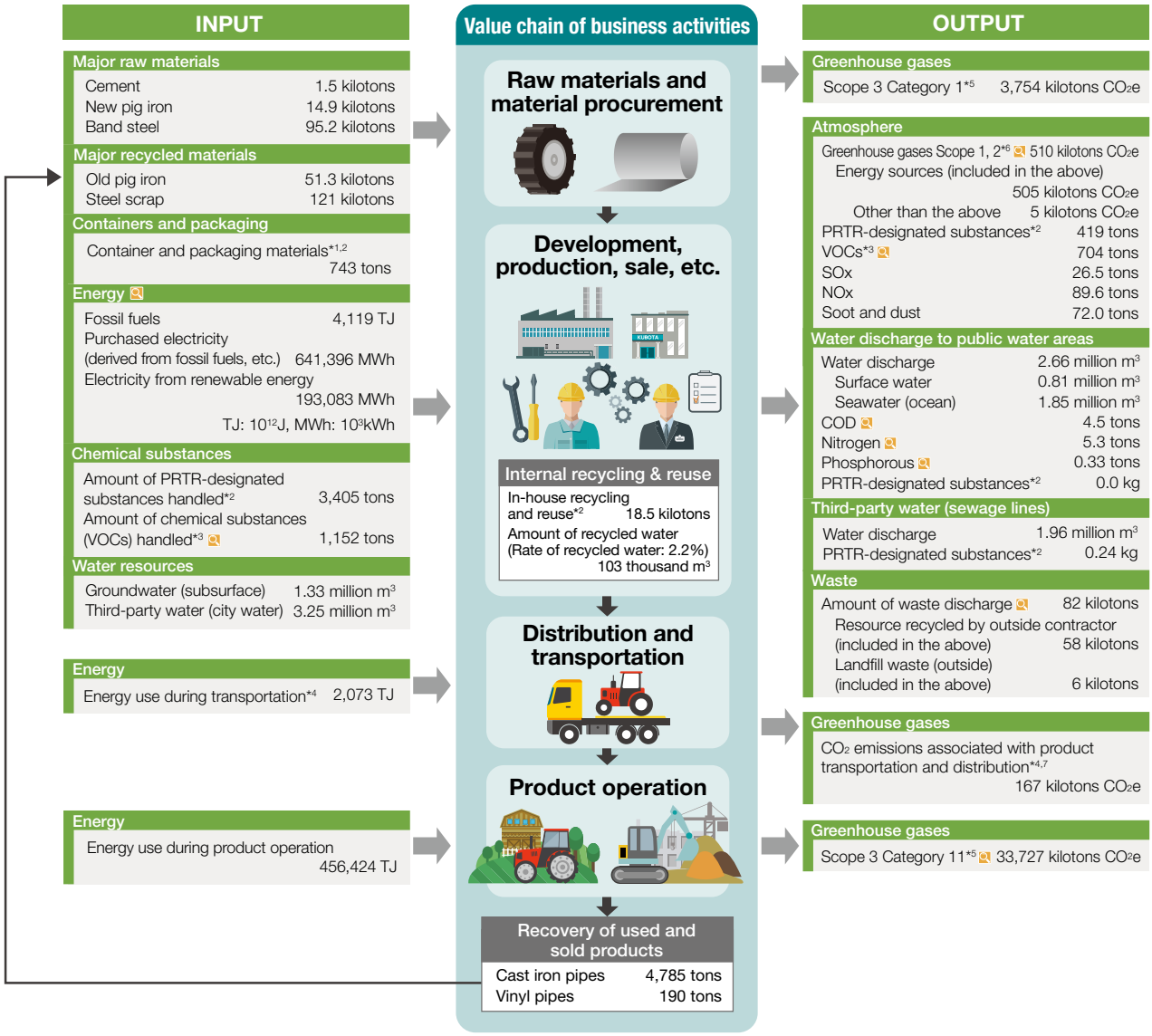

Kubota Annual Meeting held by SKC (FY2025)

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 FY2025. 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 FY2025)



*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.54).
*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.116).

Trends in Major Environmental Indicators

Energy

Environmental indicators			Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Energy	Amount of fossil fuel consumption	Overall	TJ	4,732	4,664	4,351	3,884	4,119
		Natural gas included in the above	TJ	2,690	2,696	2,447	2,304	2,409
	Amount of electricity consumption derived from fossil fuels	Amount of purchased electricity (derived from fossil fuels, etc.)	MWh	770,262	757,528	701,608	707,569	641,396
		Amount of electricity from cogeneration	MWh	2,597	2,326	2,429	2,466	2,355
	Amount of electricity consumption from renewable energy	Amount of solar power generation (generated and consumed on site)	MWh	6,244	10,179	14,434	17,327	22,865
		Amount of purchased electricity (from renewable energy)	MWh	5,184	58,005	117,853	90,733	170,218

Environmental indicators		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Energy	Energy consumption	TJ	12,319	12,642	11,487	10,850	11,234

CO_2 Emissions

Environmental indicators			Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Greenhouse gases	Scope 1, 2*1		kilotons CO_2e	613	585	560	532	510
		Energy sources	kilotons CO_2e	607	578	553	526	505
		Other than the above	kilotons CO_2e	6	7	7	6	5

Resources and Materials

Environmental indicators		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Major raw materials	Cement	kilotons	2.4	2.0	1.6	1.4	1.5
	New pig iron	kilotons	7.8	6.1	5.0	15.6	14.9
	Band steel	kilotons	114	109	94	94.8	95.2
Major recycled materials	Old pig iron	kilotons	77.0	62.4	58.8	52.2	51.3
	Steel scrap	kilotons	177	161	146	111	121
Containers and packaging	Container and packaging materials (Japan)*2	tons	1,005	881	821	924	743

*1 CO_2 emissions refers to emissions from all Kubota Group sites (100%).
*2 Packaging materials subject to the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging, Japan

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.116).

Valuable resources/Waste

Environmental indicators	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Amount of valuable resources	kilotons	131	145	147	137	124
Amount of waste discharge*1	kilotons	117	112	102	91	82
Hazardous waste emissions	kilotons	7.6	7.9	8.3	7.5	7.7
Recycled or reduced	kilotons	6.2	6.1	6.2	5.2	5.6
Direct disposal	kilotons	1.4	1.8	2.1	2.3	2.1
Landfill waste	kilotons	0.2	0.3	0.5	0.6	0.4
Incinerated (heat recovery)	kilotons	0.0	0.3	0.3	0.3	0.6
Incinerated	kilotons	1.2	1.2	1.3	1.4	1.1
Non-hazardous waste emissions*2	kilotons	109.5	103.8	93.3	83.5	74.0
Recycled or reduced	kilotons	88.1	83.4	75.3	68.3	64.5
Direct disposal	kilotons	21.4	20.4	18.0	15.2	9.5
Landfill waste	kilotons	12.4	10.5	11.2	9.5	5.0
Incinerated (heat recovery)	kilotons	1.8	1.7	1.8	1.8	1.5
Incinerated	kilotons	7.2	8.2	5.0	4.0	3.0
Emissions by treatment category (partial)						
Resources recycled by outside contractor	kilotons	79	75	68	59	58
Landfill waste (outside)	kilotons	13	11	12	10	6

*1 Totals shown may differ from the simple sum of values shown due to rounding.
*2 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.116).

Water Resources

Environmental indicators		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Water withdrawal		million m^3	4.61	5.12	5.13	4.65	4.58
	Surface water		0.00	0.00	0.00	0.00	0.00
	Groundwater (subsurface)		0.80	1.31	1.27	1.23	1.33
	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)		3.81	3.81	3.86	3.42	3.25

Environmental indicators		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Water withdrawal from water-stressed regions		million m^3	0.30	0.70	0.80	0.83	0.82
	Surface water		0.00	0.00	0.00	0.00	0.00
	Groundwater (subsurface)		0.05	0.40	0.38	0.41	0.45
	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)		0.25	0.30	0.42	0.42	0.36

Water System Discharge

Environmental indicators		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Total water discharge in all regions		million m^3	4.88	5.01	5.25	5.02	4.62
	Surface water		1.46	1.10	0.98	0.96	0.81
	Groundwater (subsurface)		0.00	0.00	0.00	0.00	0.00
	Seawater (ocean)		1.90	1.93	2.12	2.01	1.85
	Third-party water (sewerage)		1.52	1.98	2.15	2.05	1.96
	Other third-party water		0.00	0.00	0.00	0.00	0.00
Effluent discharge	COD*2	tons	6.3	5.5	7.0	5.9	4.5
	Nitrogen discharge*2	tons	6.2	6.3	6.3	6.5	5.3
	Phosphorous discharge*2	tons	0.34	0.35	0.38	0.42	0.33
Amount of PRTR-designated substances released (Japan: public waters)		kg	0.0	0.0	0.0	0.0	0.0
Amount of PRTR-designated substances transferred (Japan: sewerage)		kg	0.5	0.4	0.3	0.3	0.2

*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.116).

Chemical Substances

	Environmental indicators	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Chemical substances	Amount of PRTR-designated substances handled*1 (Japan)	tons	4,426	4,385	3,761	3,612	3,405
	Amount of chemical substances (VOCs) handled*2	tons	1,302	1,398	1,413	1,250	1,152

Atmospheric Discharge

	Environmental indicators	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Atmosphere	Amount of PRTR-designated substances released (Japan)*1	tons	408	369	408	413	419
	VOC emissions*2	tons	565	702	759	706	704
	SOx emissions*3,4	tons	2.9	5.3	5.5	5.2	26.5
	NOx emissions*3	tons	56.1	65.3	62.9	67.2	89.6
	Soot and dust emissions*3	tons	19.2	37.2	39.1	50.0	72.0

*1 The figures for FY2023 and FY2024 have been revised in order to improve accuracy.
*2 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.
*3 Japan data is for facilities that generate soot and smoke and are regulated by the Air Pollution Control Act. Overseas data in 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 5.0 tons for FY2021, and 4.9 tons for FY2022. Since FY2023 there has been no slag managed onsite.

For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.116).

Calculation Results of PRTR-designated Substances

FY2025 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	1,196
53	Ethylbenzene	100,842	0.0	0.0	0.0	0.0	9,146
80	Xylene	128,012	0.0	0.0	0.0	0.0	10,141
87	Chromium and chromium (III) compounds	0.0	0.0	0.0	0.0	0.0	3,269
132	Cobalt and its compounds	0.3	0.0	0.0	0.0	0.0	4.1
188	N,N-Dicyclohexylamine	0.0	0.0	0.0	0.0	0.0	0.0
240	Styrene	7,489	0.0	0.0	0.0	0.0	0.0
243	Dioxins	0.00007	0.0	0.0	0.0	0.0	3.7
277	Triethylamine	20	0.0	0.0	0.0	0.0	17
300	Toluene	55,837	0.0	0.0	0.0	0.0	11,174
308	Nickel	2.4	0.0	0.0	0.0	0.0	286
349	Phenol	0.0	0.0	0.0	0.0	0.0	6.8
392	Hexane	10	0.0	0.0	0.0	0.0	0.0
400	Benzene	0.0	0.0	0.0	0.0	0.0	0.0
407	Poly(oxyethylene) alkyl ether (limited to those where the alkyl group has 12 to 15 carbon atoms and mixtures of those)	0.0	0.0	0.0	0.0	0.0	0.0
412	Manganese and its compounds	567	0.0	0.0	0.0	0.0	52,055
448	Methylenebis (4,1-phenylene) diisocyanate	0.0	0.0	0.0	0.0	0.0	48
567	Di-2-ethylhexyl adipate	8,376	0.0	0.0	0.0	0.0	0.0
585	alpha-(Isocyanatobenzyl)-omega-(isocyanatophenyl) poly[(isocyanatophenylene)methylene]	47,862	0.0	0.0	0.0	0.0	96
594	Ethylene glycol monobutyl ether	11,905	0.0	0.0	0.0	0.0	56
626	Diethanolamine	0.0	0.0	0.0	0.0	0.0	3,537
627	Diethylene glycol monobutyl ether	8,698	0.0	0.0	0.0	0.0	37
664	Organic tin compounds (except for Bis (tributyltin) oxide)	0.0	0.0	0.0	0.0	0.0	6.8
691	Trimethylbenzene	36,158	0.0	0.0	0.0	0.0	2,115
697	Lead and its compounds	15	0.0	0.0	0.0	0.2	2,132
731	Heptane	3,481	0.0	0.0	0.0	0.0	0.0
737	Methyl isobutyl ketone	9,909	0.0	0.0	0.0	0.0	275
Total		419,183	0.0	0.0	0.0	0.2	95,597

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 (dioxins are measured in mg-TEQ/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.116).

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	FY2024		FY2025	
			Investment	Costs	Investment	Costs
Within the business area cost			2,067	3,577	1,190	4,101
	Local environmental conservation cost	Cost of preventing air and water pollution, soil contamination, noise, and vibration.	643	648	515	863
	Global environmental conservation cost	Prevention of climate change, etc.	1,424	1,195	670	2,176
	Resource recycling cost	Cost of treating, disposing, reducing, minimizing, and recycling waste, as well as efficiently utilizing resources	0.2	1,734	5	1,062
Upstream and downstream costs		Collection of used products and commercialization of recycled products	0	40	0	40
Management activities cost		Environmental management personnel, ISO maintenance and implementation, environmental information dissemination	5	2,262	1	2,436
R&D cost		R&D for reduction of product environmental load and developing environment conservation equipment	1,609	19,007	1,169	16,845
	Farm & Industrial Machinery		784	11,546	427	8,901
	Water & Environment		531	4,472	530	4,547
	Common		294	2,989	212	3,397
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	92	0	93
Total			3,681	24,978	2,360	23,516

Total capital investment (including land) for the corresponding period (consolidated data)	179,831
Total R&D costs for the corresponding period	108,920

Environmental Conservation Effects

Effects	Items	FY2024	FY2025
Environmental effects related to resources input into business activities	Energy consumption (TJ)	6,253	6,360
	Water withdrawal (million m^3)	3.28	3.26
Environmental effect related to waste or environmental impact originating from business activities	CO_2 emissions (energy-related CO_2) (kilotons CO_2e)	299	347
	SOx emissions (tons)	2.0	9.7
	NOx emissions (tons)	20.8	20.1
	Soot and dust emissions (tons)	3.3	2.6
	Releases and transfers of PRTR-designated substances (tons)	480	515
	Waste discharge (kilotons)	54.3	53.7
	Waste to external landfills (kilotons)	1.4	2.2

Economic Effects

(Yen in millions)

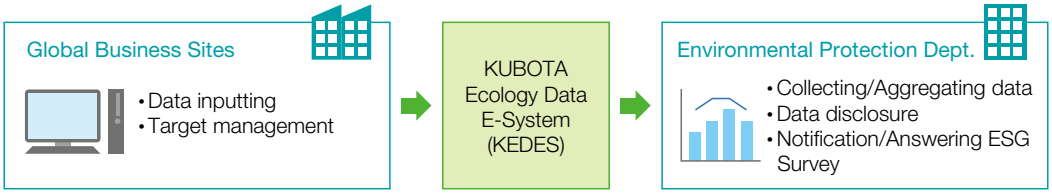
Classifications	Details	Annual effects of the year ended December 31, 2025
Energy conservation measures	Improve the operations of production facilities and switch to more efficient air-conditioning systems	186
Zero-emissions measures	Reduce the amount of industrial waste; promote resource recycling	348
	Sales of valuable resources	2,647
Total		3,181

<Environmental accounting principles>
1) The period is from January 1, 2025 to December 31, 2025.
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
2025	January 2025 to December 2025	January 2025 to December 2025	43	147	190	9

*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 (190 companies), and affiliated companies (9 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 + greenhouse gas emissions other than CO_2 from energy sources • 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] • Greenhouse gas emissions other than CO_2 from energy sources = CO_2 emissions from non-energy sources + non-CO_2 greenhouse gas emissions (Target gases in Japan: CO_2, CH_4, N_2O, HFC, PFC, SF_6, NF_3; overseas: CO_2 and HFC) • 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 FY2025] <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 FY2025 is from January 9, 2026 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 FY2025 is from Emission Factors 2025 and eGRID 2023). • The method for calculating greenhouse gas emissions other than CO_2 from energy sources 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.3.5)
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 (190 companies), and affiliated companies (9 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 (190 companies), and affiliated companies (9 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) + other third-party water • 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

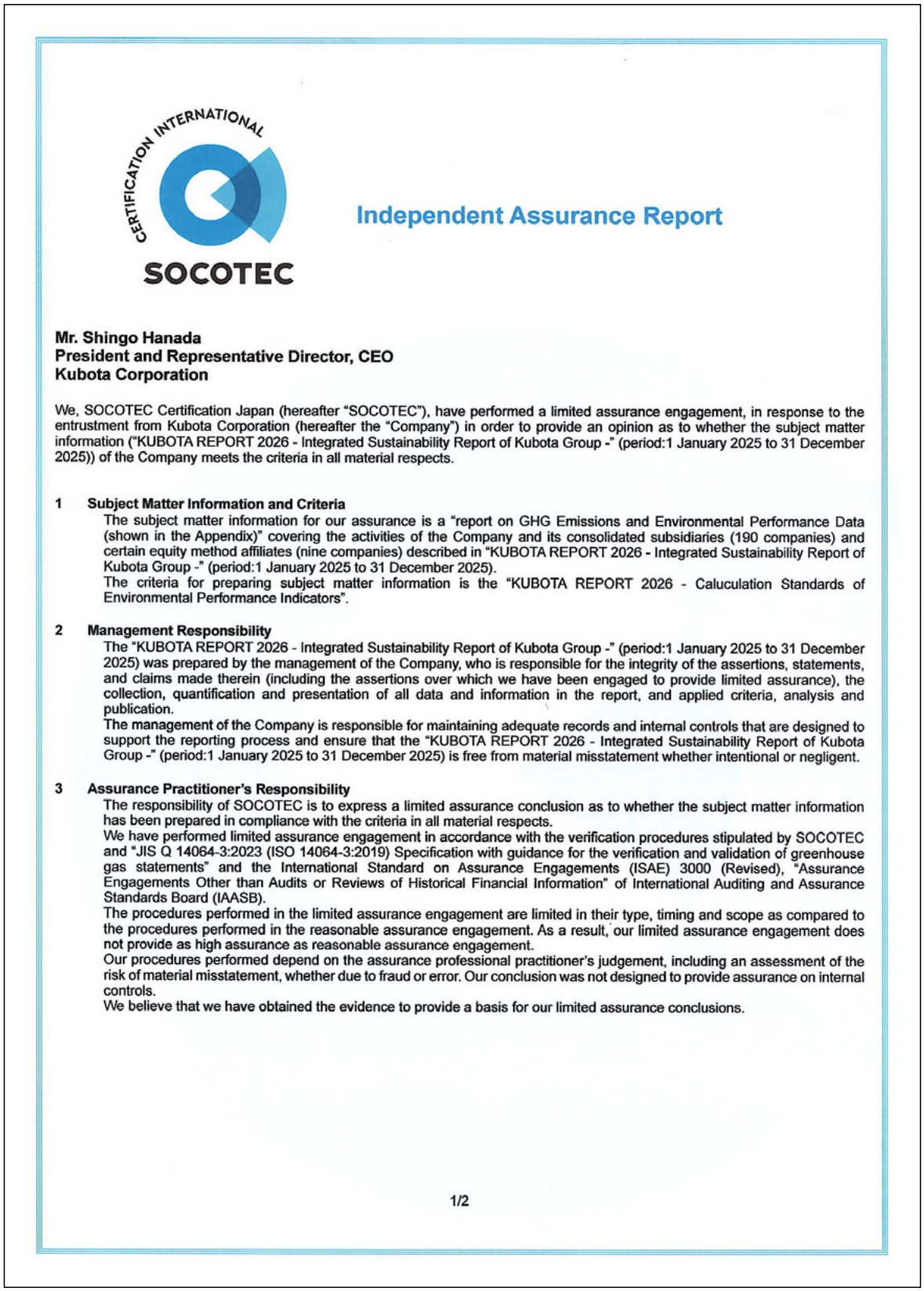
Indicator (unit)	Calculation method
Number of companies/ production sites	• All Kubota Group production sites (73 sites)
Amount of PRTR-designated substances handled (tons)	• Total amount of chemical substances handled at Japanese sites, which are designated as Class I under the Act on Confirmation, 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. 5.2 (March 2025) 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
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 FY2025 results) indicates that the information has been assessed by a third party.



CERTIFICATION INTERNATIONAL
SOCOTEC

Independent Assurance Report

Mr. Shingo Hanada
President and Representative Director, CEO
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 REPORT 2026 - Integrated Sustainability Report of Kubota Group -" (period:1 January 2025 to 31 December 2025)) 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 activities of the Company and its consolidated subsidiaries (190 companies) and certain equity method affiliates (nine companies) described in "KUBOTA REPORT 2026 - Integrated Sustainability Report of Kubota Group -" (period:1 January 2025 to 31 December 2025).
The criteria for preparing subject matter information is the "KUBOTA REPORT 2026 - Caluculation Standards of Environmental Performance Indicators".

2 Management Responsibility

The "KUBOTA REPORT 2026 - Integrated Sustainability Report of Kubota Group -" (period:1 January 2025 to 31 December 2025) 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 REPORT 2026 - Integrated Sustainability Report of Kubota Group -" (period:1 January 2025 to 31 December 2025) 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 / Kubota Global Institute of Technology / Shin Yodogawa Office

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 "JIS Q 17021-1:2015(ISO/IEC 17021-1:2015) Conformity assessment - Requirements for bodies providing audit and certification of management systems - Part 1: Requirements". In addition, we have also established a management system according to "JIS Q 14065:2025(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

M. Fukushima

Masahide Fukushima
Head of Verification
29 May 2026
ENDT6343-1

2/2

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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)	-34.4	%
Reduction rate of CO2 emissions per unit of production (Scopes 1, 2)	-49.6	%
Ratio of renewable energy usage	23.1	%
Reduction rate of energy consumption per unit of production	-37.1	%
Reduction rate of waste discharge per unit of production	-58.4	%
Reduction rate of hazardous waste discharge per unit of production	-18.5	%
Recycling ratio (Japan)	99.4	%
Recycling ratio (Overseas)	96.7	%
Reduction rate of water withdrawal per unit of production	-40.4	%
Reduction rate of VOC emissions per unit of production	-42.1	%
Sales ratio of Eco-Products	75.3	%

Table 2. Greenhouse gas emissions, etc.

Item		Quantity	Unit
CO2 emissions (Scope 1 and Scope 2)		510	kilotons CO2e
CO2 emissions per unit of sales		169	tons CO2e/billion yen
Direct emissions (Scope 1)	Use of fossil fuels	252	kilotons CO2e
	Non-energy-derived greenhouse gas emissions	5	kilotons CO2e
Indirect emissions (Scope 2)	Purchased electricity and heat use	253	kilotons CO2e
Other indirect emissions (Scope 3)	Category 3 - Resource extraction, manufacturing and transportation related to purchased fuels/energy	101	kilotons CO2e
	Category 5 - Disposal of wastes discharged from business sites	28	kilotons CO2e
	Category 11 - Use of sold products	33,727	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).

* "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		11,234	TJ
Energy consumption per unit of sales		3.72	TJ/billion yen
Amount of fossil fuel consumption	Overall	4,119	TJ
Amount of electricity consumption derived from fossil fuels	Amount of purchased electricity (derived from fossil fuels, etc.)	641,396	MWh
Amount of electricity consumption from renewable energy	Amount of solar power generation (generated and consumed on site)	22,865	MWh
	Amount of purchased electricity (from renewable energy)	170,218	MWh
		193,083	MWh

Table 4. Waste generation volume, etc.

Item	Quantity	Unit
Waste, etc. discharge amount	206	kilotons
Waste discharge amount	82	kilotons
Waste discharge per unit of sales	27.1	tons/billion yen
Recycling ratio (Global)	97.1	%

Table 5. Water consumption, etc.

Item	Quantity	Unit
Water withdrawal	4.58	million m3
Water withdrawal per unit of sales	1.52	m3/million yen
Total water discharge in all regions	4.62	million m3

Table 6. Chemical substance emissions, etc.

Item	Quantity	Unit
Amount of chemical substances (VOCs) handled	1,152	tons
VOC emissions	704	tons
VOC emissions per unit of sales	233	kg/billion yen
COD discharge amount	4.5	tons
Nitrogen discharge amount	5.3	tons
Phosphorous discharge amount	0.33	tons

SOCOTEC Certification Japan: This appendix is a valid document as an appendix to the independent assurance report issued to Kubota Corporation on 29 May, 2026. APPENDIX 1/1

ENDT6343-1



Chapter 2
ESG reporting

2 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.

125 Respecting Human Rights
131 Asbestos Issues
132 Relationships with Customers
143 Relationships with Business Partners
145 Shareholders and Investors
147 Social Contribution Activities

<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).

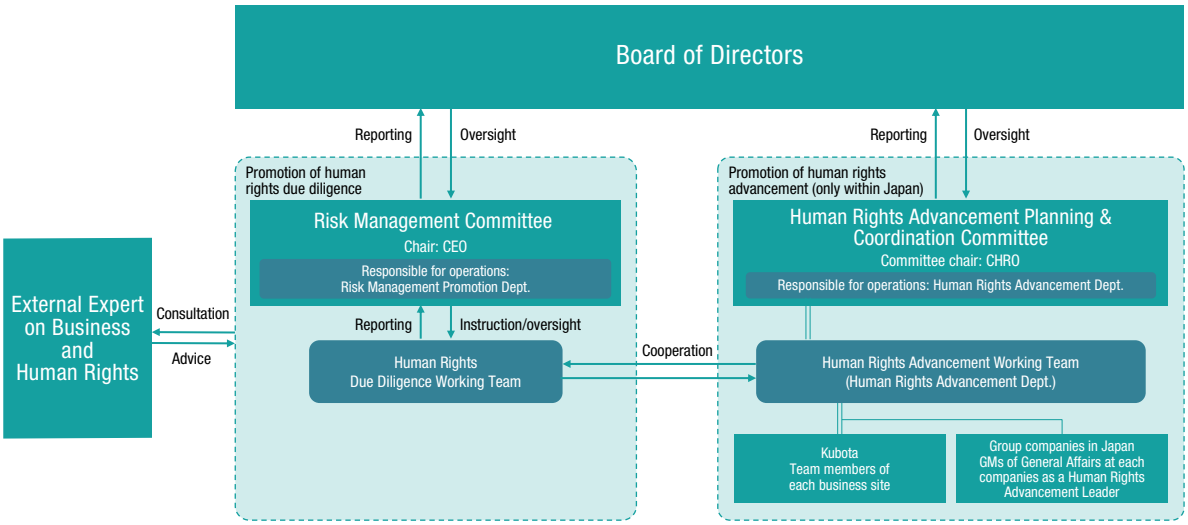
Kubota Group Human Rights Policy

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 Risk Management Committee, which is chaired by the CEO, receives reports from officers and divisions responsible for business execution on measures to respect human rights, monitors related activities and issues instructions as appropriate.



The Human Rights Due Diligence 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 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 FY2025, it held 14 operational meetings.

System for Promoting Human Rights Awareness

In Japan, we have established a Human Rights Advancement Planning & Coordination Committee, chaired by the CHRO, 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 2025, 24,215 people participated (a participation rate of 97.0%), 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 p.128.

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 p.143 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 p.147 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, each year the Kubota Group plans and provides human rights education programs for all employees, including the CEO and other Directors, based on the Group Human Rights Policy.

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 2025. In 2025, 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 representatives and directors of the Group companies around the world.



Human Rights Training for Management Executives (October 15, 2025)
Theme: "50 Years Since the Buraku Place Name Directory Incident" and the Buraku Issue Today: From the Perspective of Corporate Management and Human Rights
Lecturer: Suehiro Kitaguchi, Professor/Senior Staff, Kindai University Human Rights Research Institute



Textbook for human rights e-learning

● Examples of themes of e-learning

- Power harassment
- Sexual harassment
- Customer harassment
- Racial harassment
- Maternity harassment
- Care harassment
- Human rights-related harassment

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 2025]

Training session	Participants	Method	Frequency	Targeted participants	Number in attendance	Participation rate
When joining Kubota	New employees	In-person group training	When joining Kubota	496	496	100%
Position-based training	Newly appointed foremen	In-person group training	Upon promotion	18	18	100%
	Newly appointed supervisors	In-person group training	Upon promotion	54	54	100%
	Management executives	Lecture from external speaker	Once a year	58	42	72.4%
Training for all domestic Group executives and employees	All domestic Group executives and employees	e-learning	Once a year	27,329	25,765	94.3%

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 46th Human Rights and Dowa Issue Corporate Awareness-Raising Seminar hosted by the Executive Committee*1: A total of 39 participants (including those from Group companies in Japan)

The 56th Buraku Liberation and Human Rights Summer Seminar hosted by the Executive Committee*1: 22 participants

*1 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 147 employees took part in this seminar in 2025, also 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 2025: 98



Harassment Consultation Office Personnel Seminar (July 1, July 3, July 15, August 4, 2025) (Lecturer: Rieko Yamauchi, Visiting Lecturer in Harassment Prevention Training, Japan Institute for Women's Empowerment & Diversity Management)

[Breakdown of consultations]

Category	No. of cases	Cases addressed	% of cases addressed
Power harassment	18	18	100%
Sexual harassment	10	10	100%
Other forms of harassment	12	12	100%
Not applicable*2	58	—	—
Total	98	—	—

*2 "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

[Correspondences of human rights-related cases]

- 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 2025, Kubota again 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, 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.

Toward the Eradication of Forced Labor and Child Labor

The Kubota Group explicitly prohibits forced labor and child labor in its Human Rights Policy and Code of Conduct, and conducts programs to raise awareness of this subject. With respect to matters required under laws and regulations applicable to the Group companies, we take appropriate measures.

Education and Awareness-raising by External Experts

In our efforts to promote ESG management, we hold the ESG Forum as a training session providing management-level employees with an opportunity to think about the K-ESG (Kubota-style ESG) management that is our goal, by reminding ourselves of its necessity and studying examples of advanced practice set by other companies.

In 2025, we invited an executive in charge of ESG management from just such a company to give a lecture on the subject of improving corporate value. Approximately 540 executives and senior leaders from across the Group, including members of the Board, attended the lecture to gain insights and learn about recent initiatives presented by the speaker representing his organization, with a view to achieving sustainable growth. The lecture was also streamed via the Group intranet to make it accessible to all employees and provide them with a range of learning opportunities.

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.

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

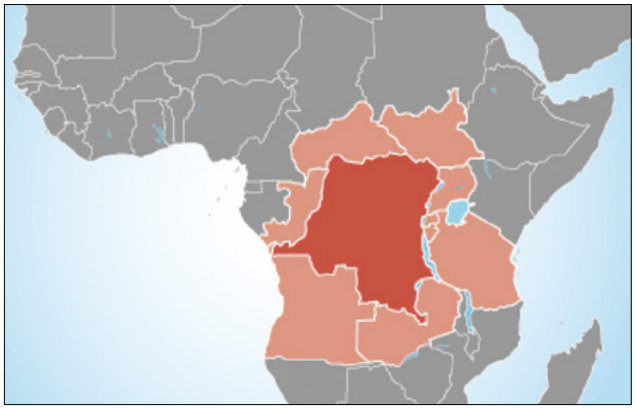
Policy on conflict minerals

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 FY2025, 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 and increasing scale of our 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.

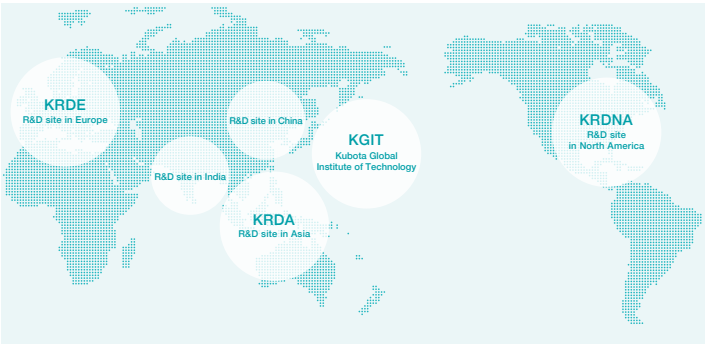
Strengthening R&D under a Global R&D Framework

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

Devising New Slogans for Each Business and Striving for Further Growth

Farm & Industrial Machinery Business: Big Work with Smaller Machines

In order to deliver even greater value to the agricultural sector and construction/civil engineering sector, Kubota is conducting R&D into robotization of the relatively small machines that represent the Group's forte, and into solution systems to ensure efficient operation of these robots.

We showcased our research and development findings at Expo 2025 in Osaka, Kansai, Japan, and at CES® 2026, the world's premier tech trade show held every January in the U.S. We plan to use feedback from visitors to these events to promote societal implementation of these technologies, including their commercialization and application to similar concepts.

◆ Main exhibits (all concept models)

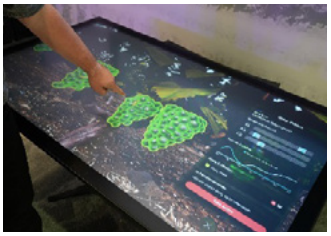
1. Versatile platform robot, Type: V
   This autonomous robot features attachments that interchange automatically to suit diverse applications such as farming and civil engineering, with other unique features including a transformable body structure as well as rotational and lateral/diagonal movement. In short, the Type: V has many functions that bely its compact appearance and will make a significant contribution to reducing labor and energy consumption.
2. Autonomous M5 Narrow Tractor
   Equipped with an autonomous driving system developed in collaboration with a U.S. startup Agtonomy as part of our open innovation efforts, this tractor for the specialty crop* market provides a smart solution that automates and optimizes tasks such as crop growth-sensing and chemical spraying.
   * Wine grapes, fruit trees, vegetables, nuts, and other high-value crops that require intensive care.
3. Kubota Digital Twin
   Recreates fields in a virtual space, simulating growth and disease occurrence using various sensing data and information, and providing recommendations for harvest timing and farming operations based on the predictive results. Visitors to Expo 2025 and CES® 2026 were able to experience interactive operation via touch panels.
4. Autonomous Fuel Cell Tractor
   Building on our long-standing expertise in agricultural machinery development, we have developed an autonomous fuel cell tractor that integrates technologies for configuring and controlling hydrogen fuel cell systems optimized for agricultural and construction machinery, along with autonomous driving and remote operation capabilities. The concept behind this model is to simultaneously achieve environmental sustainability, operational efficiency, and labor saving.



Versatile platform robot, Type: V



Autonomous M5 Narrow Tractor


Interactive operation of Kubota Digital Twin via touch panel



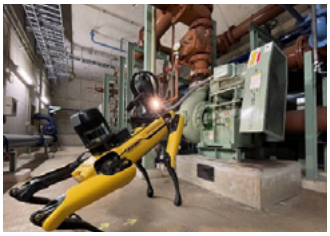
Autonomous Fuel Cell Tractor

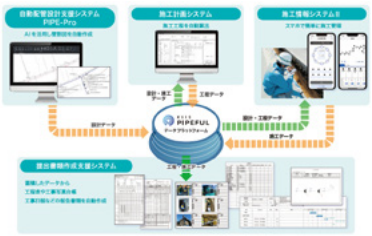
Water & Environment Business: To Contribute to the Building of Resilient Social Infrastructure through Solutions Centered on Products and Technology

With many of Japan's social infrastructure facilities—including sewerage facilities, drainage pumping stations, and waste incineration plants—now aging, proper upkeep is becoming increasingly important. Labor shortages, though, constitute a major issue. As such duties moreover have traditionally relied on the expertise of veteran workers, passing on that experience has become important also. To address these challenges and contribute to the building of resilient social infrastructure, we have developed technology for automated patrol inspections using a quadruped walking robot, as well as a system supporting every aspect of renewing aging water pipelines, from design to construction work.

◆ Key R&D achievements

1. Technology for automated patrol inspections using quadruped walking robot (field testing underway)
   The quadruped robot patrols the premises autonomously, photographing designated meters and using AI to digitize the images and transfer them to the system, thereby significantly reducing the labor and energy entailed in patrol inspection work. The data thus obtained is managed centrally on the cloud, rendering operational status and equipment information visible and contributing to stable operations by identifying trends.
2. PIPROFESSOR smart waterworks system (already implemented socially)
   This system automatically creates drawings and documents accompanied by construction calculations for the construction of waterworks, handling each task from design to construction planning and construction management. In this manner, even contractors with limited design experience can swiftly create highly accurate designs worthy of an expert, reducing subsequent work related to document creation and construction management.


Quadruped robot automatically obtaining inspection data from value shown on meter



PIPROFESSOR concept

Strengthening Partnerships in R&D

In order to speed up R&D in robotics technology and ICT/IoT systems and in doing so address social issues more expeditiously, we are working to strengthen and accelerate our R&D by teaming up with various external partners including universities, startups, and companies from other industries.

Since 2024, Kubota and Kubota North America Corporation (KNA) have been collaborating with Agtonomy, a North American startup that develops automation systems and platforms for precision automated operations, to conduct joint projects aimed at providing smart solutions for specialty crops. The Autonomous M5 Narrow Tractor, introduced on the previous page and exhibited at CES® 2026, is one of the fruits of this collaboration.

Since 2024, Kubota Environmental Engineering Corporation has been collaborating with external partners SpaceGrab Co., Ltd., which supports the adoption of robotics inspection systems, and Meister Corporation, which specializes in obtaining meter inspection data using image recognition AI (and which we announced in November 2025 would become a subsidiary of Kubota Environmental Engineering), to conduct field tests of a technology for automated patrol inspections using quadruped robots. Kubota's contribution to the collaboration is KSIS BLUE FRONT, a comprehensive platform for centrally managing data on the cloud, and one of the fruits of this teamwork is the technology mentioned on the previous page, for automated patrol inspection using a quadruped robot.

Kubota Group R&D Conference Held Annually to Share Technical Information Across Divisions

Since 1983, we have held the Kubota Group R&D Conference every year to enable engineers from different regions and different fields of study to present their R&D achievements. In 2023 we began conducting a simultaneous livestream as an alternative to in-person participation, and in 2026 the combined number of participants surpassed 2,000. The conference includes an exhibition of R&D results intended to drive innovation by instigating lively technical discussions.



Presentation



Q&A session



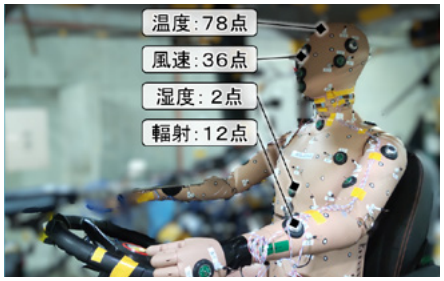
Exhibition of R&D results

Kubota Technical Report Published on Website

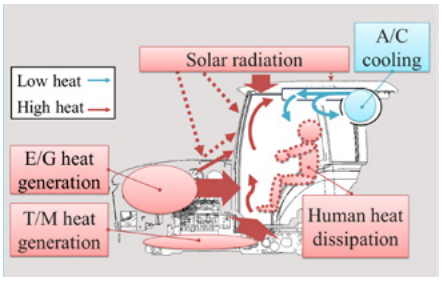
Since 1976, Kubota has been publishing the Kubota Technical Report to announce R&D findings and technical information inside and outside the Company. Starting with the No. 58 published in December 2025, the Kubota Technical Report has been available only via our website.



Cover of Kubota Technical Report No. 58 (published in December 2025)



Measurement via sensor mannequin



Heat balance of the human body and cabin

Example of article featured in No. 58: Development of Technology to Improve the Comfort of Cabin Air Conditioning

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 2012)

• 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
• 2025: United States	Start of operation of new plant for (tractor loader) implements	KMA
• 2025: Thailand	Expansion of engine production capacity	Kubota Engine (Thailand) Co., Ltd.

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)?

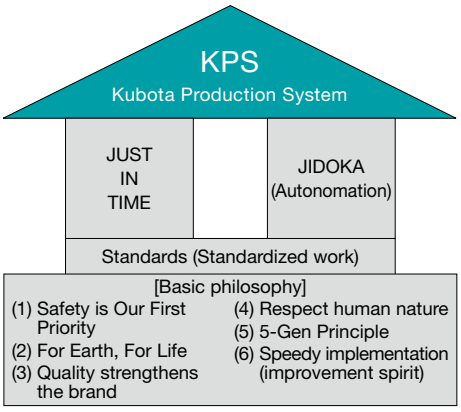
  To deliver better products to customers faster and at lower cost, we have adopted the principles of "just in time" and "jidoka" (autonomation) modeled after the Toyota production system, focusing on the thorough elimination of waste. We have extended this approach beyond the supply chain to include the engineering chain as well.

Activities during 2025

- 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.
- Improvement activities involving all employees, including those in offices

  To enable all employees to engage in higher value-added work, we are working on operational improvements based on the KPS, even in back-office departments. With a view to accelerating improvement activities throughout the Company, including in our R&D departments, this year we have been working to enhance educational opportunities and improve the framework for improvement activities. 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

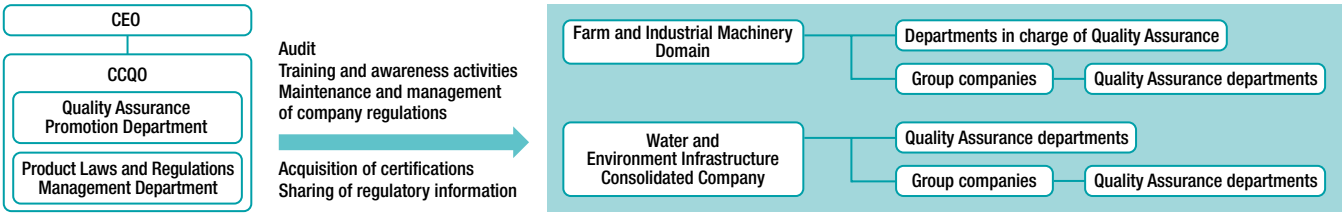
The Kubota Group strives to provide safe and high-quality products, technologies, and services in accordance with the Kubota Group Charter for Action & Code of Conduct.

- 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

At the Kubota Group, we have established the new position of Chief Compliance & Quality Officer (CCQO) within the Compliance and Risk Management, QA Headquarters, to take overall responsibility for quality management. Additionally, to ensure the independence of the quality assurance departments, the Compliance and Risk Management, QA Headquarters in the corporate division at the head office oversees the quality assurance activities of the entire Kubota Group. The Compliance and Risk Management, QA 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 Domain, the Water and Environment Infrastructure Consolidated Company, and Group companies—and the Product Laws and Regulations Management Department, which is responsible for the management of product-related laws and regulations. The Farm and Industrial Machinery Domain, 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.

In recent years there has been an increase in instances of fraudulent certification among Japanese companies. We accordingly conduct certification audits to strengthen governance over our certification activities.

- Certification audits : Audits carried out by the Compliance and Risk Management, QA Headquarters, to ensure that certification activities are conducted appropriately, and to prevent misconduct related to certification
- Quality audits : Audits carried out by the Compliance and Risk Management, QA Headquarters, to ensure the appropriateness of development, design, manufacturing, and procurement processes
- Quality compliance audits : Audits carried out by the Compliance and Risk Management, QA Headquarters, to ensure compliance with laws, public standards, and contracts with customers
- ISO 9001 internal audits : Audits carried out by each business division to verify that its quality management system is being maintained and improved appropriately
- Cross audits : Audits carried out by auditors from outside business division to ensure the adequacy of ISO 9001 internal audits

Quality Questionnaires

The Kubota Group provides employees with an opportunity to report suspicions of improper conduct related to quality compliance. If issues of concern are identified through interviews or other investigations, they are reported to senior management, and the Quality Assurance Promotion Department takes the lead in implementing necessary corrective actions and measures to prevent recurrence.

The Quality Questionnaire implementation rate in 2025 was 100% for domestic Group company employees* and 98% for overseas Group company employees.

* Kubota Group employees that have been assigned company email addresses

Domestic and International Recall Filing Status in FY2025

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 2025.

- Recall of NEW MR series tractors (specifically, lower horsepower models) : Total 1,493 units (notice filed March 14, 2025)
- Recall of combine harvesters : Total 306 units (notice filed July 11, 2025)
- Recall of combine harvesters : Total 618 units (notice filed July 25, 2025)
- Recall of WORLD series tractor cabins : Total 1,395 units (notice filed October 31, 2025)
- Recall of combine harvesters : Total 1,657 units (notice filed December 24, 2025)
- Recall of combine harvesters : Total 535 units (notice filed December 24, 2025)

For details of recall filing (only in Japanese) Click

3. Fostering a Culture of “Customer First and Prioritizing 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 foster a culture of “Customer First and Prioritizing Quality,” 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 CEO 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 2025, we invited Isao Endo, Representative Director of Cena Corporation, to speak on the subject of “Realizing Management Strategies through Strong On-Site Capabilities”



Isao Endo 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 2025, each department shared their progress in implementing the quality-related activity policies formulated on the basis of last year’s discussions, identifying common challenges and debating further activities to be implemented in 2026.



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 provide 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.

- Basic quality training by organizational level
- Engineer ethics training
- Internal auditor training
- Product risk assessment training (among others...)
- Quality compliance training

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 and permeate the Kaizen culture. Presentations had been suspended since the outbreak of COVID-19, but in 2025 we resumed presentations for management executives and (via web streaming) for employees at domestic and international locations, with the aim of revitalizing quality control circles and sharing the results throughout the Company. We also have a system in place to recognize employees who achieve outstanding results. Since introducing quality control circles in 1967, 876 circles have been active at Group companies in Japan and overseas. (as of 2025)

Inheritance of Quality Principles

The Kubota Group provides opportunities for employees to think about “Customer First and Prioritizing Quality.” Through these opportunities, we seek to improve the level of quality throughout the organization by encouraging employees to reflect on the quality of their work and to transform their behavior. In 2025, management-level employees from the Farm and Industrial Machinery Consolidated Division, discussions were held through case studies based on past quality-related cases. These discussions focused on the desired state of quality and practical approaches to quality initiatives, with the aim of passing on to the next generation the quality principles that define the Company’s fundamental philosophy and direction on quality, as well as serving as guidance when judgment is required.



Lecture at Inheritance of Quality Principles

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.

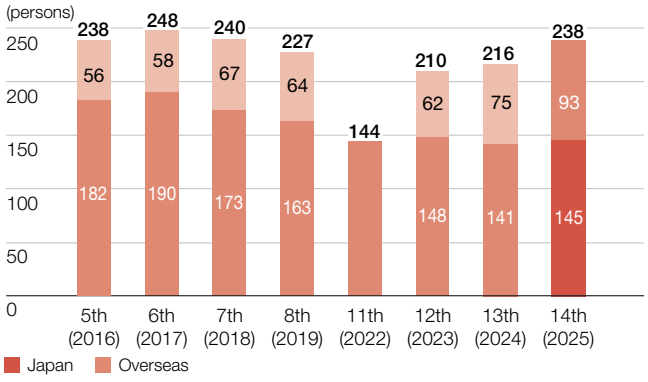
Ensuring Skills to Maintain Customer Satisfaction

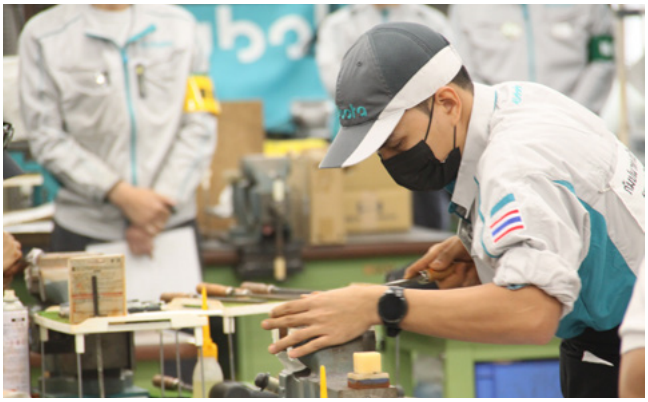
Holding the Kubota Group Technical Skills Competition

Kubota holds the Kubota Group Technical Skills Competition with the aim of improving manufacturing capabilities. At the 14th competition in 2025, a total of 238 contestants from 28 bases in nine countries gathered and put their technical skills to the test in 15 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 63rd competition in 2025, 17 participants from Kubota competed, with five winning honorable mention awards: one in the lathing category, one in the construction steel working category, and three 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.



Five participants from Kubota won honorable mention awards across three categories at the 63rd National Skills Competition in 2025

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 1,324 participants in 2025 and a total of 9,344 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	2002–2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	**2025 1,324**	**Cumulative 9,344**
Head office	Sakai Plant (Japan)	2,409	406	338	406	288	301	273	194	78	151	670	586	**755**	**6,855**
North America	Kubota Manufacturing of America Corporation		51	46	46	44	54	81	11	73	109	395	362	**384**	**1,656**
Thailand	Siam Kubota Corporation Co., Ltd.				87	96	50	71	29	0	0	0	50	**54**	**437**
China	Kubota Agricultural Machinery (Suzhou) Co., Ltd.								57	47	36	39	16	**28**	**223**
Europe	Kubota Baumaschinen GmbH (Germany)												27	**18**	**45**
India	Escorts Kubota Limited												43	**85**	**128**

Acceleration of Global Improvement Activities

We are striving to further localize manufacturing personnel development and accelerate global improvement activities by enhancing cross-functional capabilities via a six-pronged system in which 5-Gen Dojos collaborate both domestically and internationally. Since 2023, we have been holding the Global 5-Gen Dojo Conference to enhance the leadership skills of 5-Gen Dojo promotion officers in Japan and overseas, and to share best practices across locations. In addition, to further strengthen the function of overseas 5-Gen Dojos, we are transitioning education initiative to overseas 5-Gen Dojo regarding the development of core personnel who will drive improvement in overseas factories.



Third Global 5-Gen Dojo Conference, attended by 5-Gen Dojo promotion officers from Japan and overseas



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.

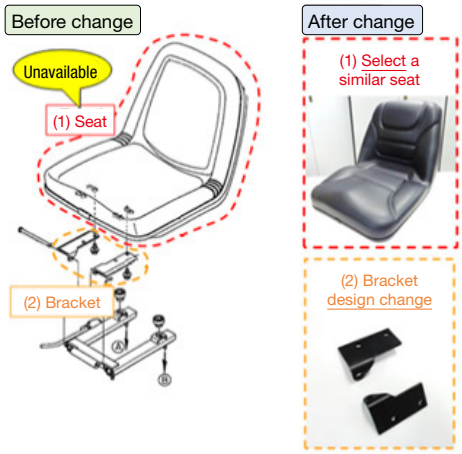
Kubota focuses on providing a **stable supply of service parts** through communication with customers and suppliers in the market and improvement of service parts procurement operations. We maintain an **immediate delivery rate of essentially over 99%** for emergency orders for service parts in Japan.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

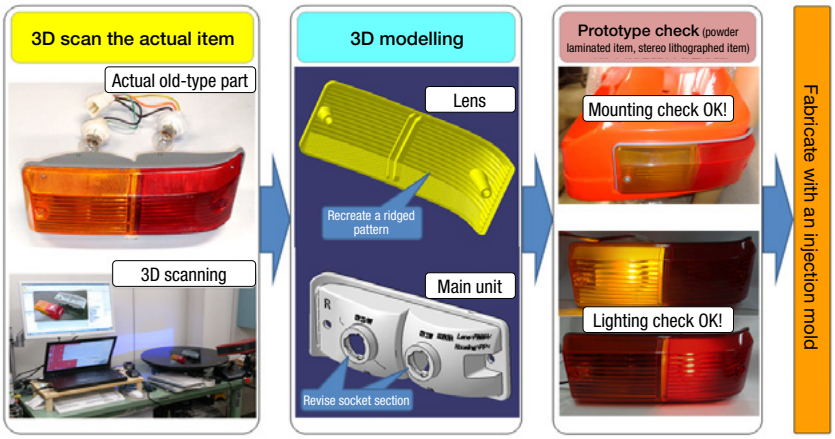
Redesign driven by the selection of similar parts and the modification of fittings



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

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 2025 nationwide contest, 11 staff members from our sales companies competed by presenting proposal examples from each region at the Kubota head office.

There were a number of excellent ideas for delivering management success to customers, including a proposal by Kubota Smart Agri System (KSAS) to increase yields and quality by visualizing farm management, and proposals concerning assistance and after-sales support businesses that transcend the simple act of selling farm machinery.

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.

Service Technical Skills Contest

The Kubota Service Technical Skills Contest is an international forum at which service staff compete to showcase their technical skills with the aim of improving their ability to diagnose problems accurately, perform complex repairs, and communicate seamlessly with customers. The contest is held not only in Japan but also at sales companies in each country, providing a platform for service staff from around the world to pursue mutual improvement through friendly rivalry.

In 2025, regional sales companies including Escorts Kubota Limited (EKL, India) and Kubota Mexico S.A. de C.V. (KMX, Mexico) also held Service Technical Skills Contests, further elevating the standard of service technical skills on a global scale.

The Company employs initiatives such as these to strengthen after-sales service and provide Kubota product users worldwide with greater peace of mind. In addition to enhancing our technical capabilities, we aim to build a service infrastructure that enables timely and appropriate support, thereby further improving customer satisfaction.


Service Technical Skills Contest at KMX



Service Technical Skills Contest at EKL

Customer Experience (CX) Survey

Kubota conducts regular surveys among customers of our farm machinery dealers in Japan, seeking their feedback and opinions regarding various experiences with Kubota in order to reinforce efforts to enhance customer satisfaction.

We share the feedback and survey results from the respondents and the analysis results with dealers and related departments, and utilize this information to improve our sales and service activities, and ultimately our products.

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 FY2025 we expanded the scope of the self-assessments and asked 663 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 synergistic development of the Kubota Group, its 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 CEO and CBPO 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

The CBPO 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 business strategy and operations, 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 CBPO; committee members, who are CCQO, CHRO, General Manager of ESG Promotion Unit, General Manager of Secretary Dept., General Manager of Accounting and Tax Unit, 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*") and the Semiannual Securities Reports ("*Hanki Hokokusho*") Report pursuant to the Financial Instruments and Exchange Act, and Kubota Report. 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 2025, we invited shareholders to tour the Hanshin Plant and Okajima Business Center and experience Kubota's products, technologies, and manufacturing approach first-hand. We also invited shareholders to visit the Kubota booth at the 7th International Construction & Survey Productivity Improvement EXPO (CSPI-EXPO 2025), for an explanation of the Company's latest products and future vision. Furthermore, we explained the Company's Long-Term Vision and business activities to individual investors through in-person corporate briefings hosted by (then) President Yuichi Kitao. We also disseminated information via a dedicated "Kubota Shareholders' Club," to improve communication with shareholders and build better relationships.

We would like to continue to provide information to shareholders and investors to foster greater understanding and involvement in the Company's efforts.

Information for individual Investors (only in Japanese) Click



Website of the "Kubota Shareholders' Club"



Corporate briefing hosted by (then) President Yuichi Kitao



Tour of 7th International Construction & Survey Productivity Improvement EXPO (CSPI-EXPO 2025)


Shareholders touring the Hanshin Plant


Shareholders touring the Okajima Business Center

Dialogue with Institutional Investors and Analysts

The Company holds approximately 460 individual and group meetings per year with institutional investors and analysts, in addition to participating in domestic and international conferences targeting institutional investors. The CEO and other members of the management team furthermore engage proactively in face-to-face and online discussions with institutional investors, both domestically and overseas.

The Company furthermore holds quarterly results briefings and discloses results presentation materials concurrently in Japanese and English. 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

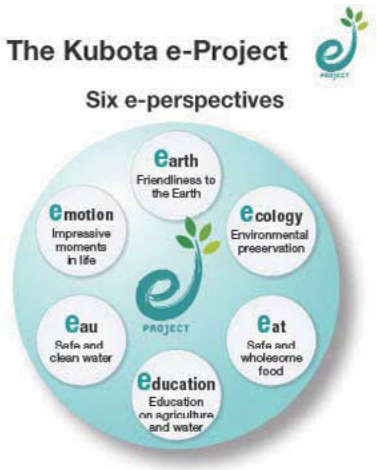
Kubota launched the Kubota e-Project in FY2008 in an effort to contribute to society in the areas of food, water, and the environment.

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.

Kubota e-Project Click



Social Contribution Expenditures

Donations

Donation year	Donation amount
FY2024	¥354 million
FY2025	¥372 million

* Kubota (non-consolidated)

Emergency and Humanitarian Support

Support for Disaster-stricken Areas

Both domestically and internationally, the Kubota Group supported areas beset by natural disasters through the removal of rubble using tractors and construction machinery, as well as by donating cash and providing supplies.




Donations to People in Need of Support

On a global basis, the Kubota Group supported economically disadvantaged households by gifting food to local food banks and through donations of hygiene supplies and clothing.





Resolving Issues (Food, Water, and the Environment)

Assisting Local Farmers

In Europe, the Kubota Group assisted local farmers through activities such as volunteering to work in orchards and making homemade juice from oranges harvested by local farmers. These activities also served to enhance communication among employees.




Recycling Resources

Both in Japan and overseas, Kubota Group companies engaged in the recycling of resources at hand by such means as conserving energy and reusing resources at offices and factories, promoting use of renewable energy sources, and reducing food waste in employee cafeterias.





Preservation and Restoration of Ecosystems and Biodiversity, including Watershed Forests

Both domestically and internationally, the Kubota Group endeavored to preserve and restore ecosystems and biodiversity through volunteer work in areas such as tree thinning and planting in watershed forests, mowing and cleaning up around rivers, releasing young fish, and restoring living creatures' habitats.









Dialogue and Exchange with Local Communities

Local Cleanup Activities

Throughout the year, Kubota Group companies worldwide organize employee-driven environmental beautification & cleanup activities and mowing 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 5,069 employees took part in 2025.









Support for Medical and Welfare Facilities

We visited children and seniors in hospitals and welfare facilities, spending time with them and donating toys and other items. We provided further support for the medical field through donations to research institutions.




Promotion of Culture and Sports

In Europe, the Kubota Group supported local soccer clubs by such means as maintaining grounds and donating uniforms. In Japan, Group companies deepened ties with local communities by holding events where people with disabilities and able-bodied people could enjoy sports together.




Hosting and Supporting Local Events

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.








Educating the Next Generation (Learning Together)

Agricultural Experiences

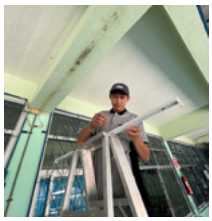
Kubota Group companies in Japan devised opportunities for both adults and children to come into contact with agriculture, enabling them to discover the joy of touching plants and soil through the experience of planting and harvesting rice, vegetables, and other crops.





Supporting the Creation of Learning Environments

In Thailand and Europe, Kubota Group companies supported the creation of learning environments for students by donating chairs and satchels for use in classrooms, installing light bulbs, and maintaining fields for use in lessons.








Specialized Technical Support for the Agricultural Sector

Kubota Group companies in Japan and overseas provided learning support focused on agricultural technology for local farmers and agricultural high school students. The aim of this was to help them acquire knowledge of agricultural machinery and achieve sustainable agriculture.





Educating the Next Generation (Learning Together)

Visiting Lectures

Kubota Group companies in Japan and overseas pursued efforts to educate the next generation by holding lessons at schools, Kubota's business sites, and events around the world to explain the Kubota Group's engagement with the SDGs and its work within society.



Factory Tours and Work Experience

Both domestically and internationally, the Kubota Group held factory tours providing local residents, children, and employees' families with opportunities to experience the Company's manufacturing approach first-hand, by witnessing the manufacture, assembly, and maintenance of Kubota products.



Award Program Recognizing Individuals and Organizations Working to Resolve Issues

Kubota sponsors the "Kubota Mainichi Earth Future Prize," which extols and publicly commends individuals and organizations working to solve global challenges in the fields of food, water, and the environment. At the event held to present the awards and report on the associated activities, prizewinners gave passionate presentations and also engaged in information exchange and networking with other award recipients.



Creating Opportunities for Employee Learning

The Kubota Group sets great store by opportunities for employees to learn of and think about social and environmental issues. To discover first-hand how ecosystems work, employees visited forest conservation areas and participated in terrarium-making workshops. We created various other opportunities for learning, such as museum visits and life-saving training.



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 seven municipalities in the team's host areas—principally Edogawa Ward, Tokyo, and the city of Funabashi 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. Kubota Spears were champions of NTT Japan Rugby League One in the 2022-23 season and were runners-up in the 2024-25 season of NTT Japan Rugby League One.

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)
Hosted the "Spears Cup," an elementary school volleyball tournament supporting youth development and community inclusion



(Volleyball team)
Conducted volleyball clinics with the City of Osaka, visiting elementary and junior high schools to promote youth engagement in sports

Kubota Spears Funabashi TOKYO-BAY Official Website (only in Japanese) Click

Volleyball team Kubota Spears Osaka' Official Website (only in Japanese) Click



Chapter 2
ESG reporting

3 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.

154 Direction of Human Capital Management
155 (1) From Reactive HR to Strategic and Planned HR
156 (2) Promoting Human Resource Mobility and Expanding Growth Opportunities
158 (3) Creating an Environment That Encourages Employees to Take on New Challenges
160 (4) Building Mechanisms That Embrace Challenge
162 (5) Stronger Organization
163 (6) Individual Growth
166 (7) Promotion of Health & Productivity Management
169 Occupational Health and Safety
174 HR Information and HR Data

<SDGs related to this section>

Direction of Human Capital Management

Development of Human Capital Policies and Key HR Initiatives

Strengthening Execution of Management Strategies through Enhancement of Human Capital

In working toward the goals of the Long-Term Vision, we think it important to strengthen our execution of management and business strategies through the enhancement of human capital. To implement the "Focus & Breakthrough" approach outlined in Mid-Term Business Plan 2030, we believe it is essential to foster both human resources capable of flexibly adapting to change in the business environment, and an organizational culture that embraces challenge. We practice a form of human capital management that enhances the organization's ability to execute by linking our management strategy and HR strategy to bring about comprehensive evolution in our human capital development, deployment, systems, and culture.

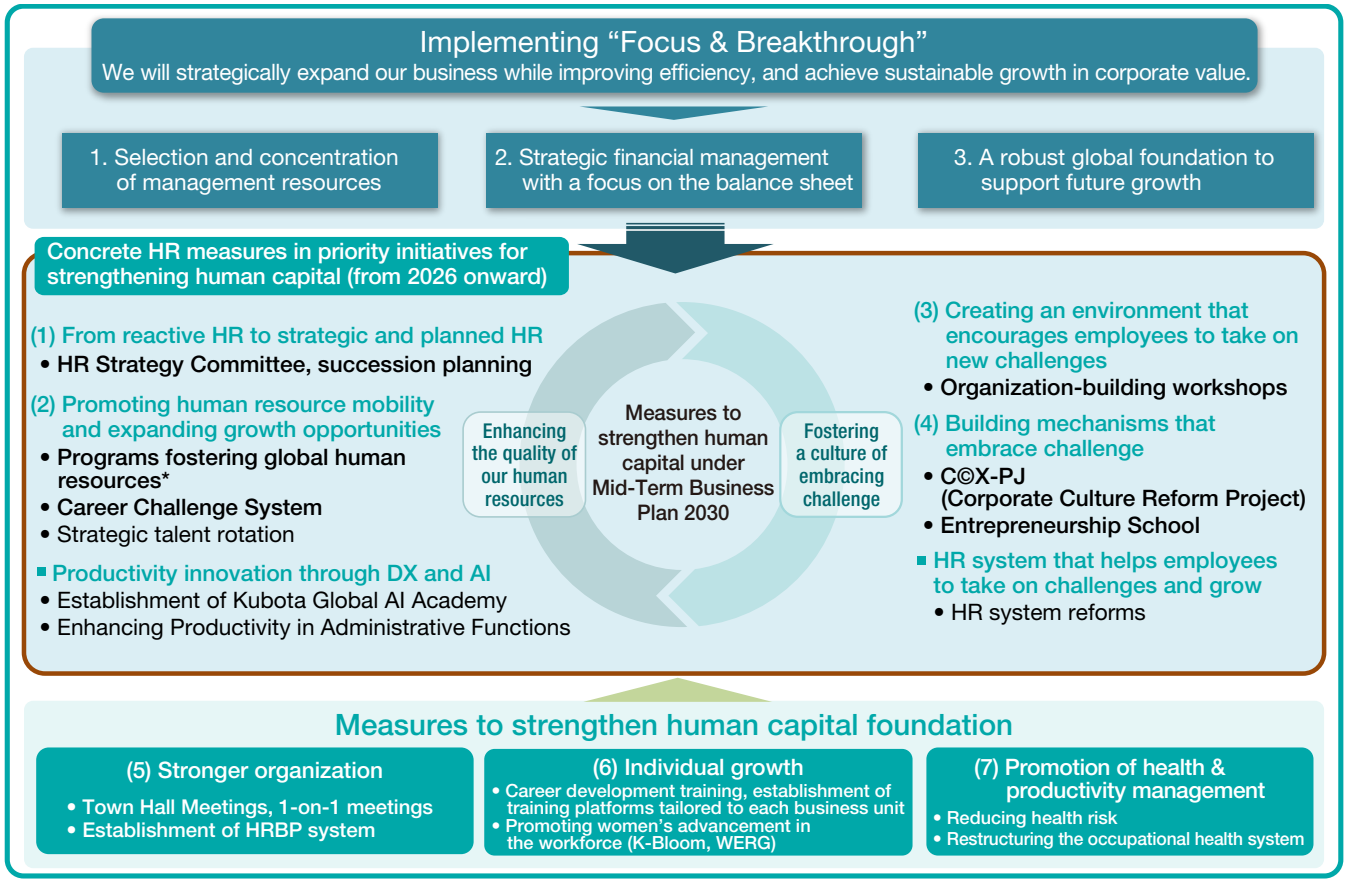
Key Planks of Our Human Capital Strategy

Our Mid-Term Business Plan 2030 sets forth three key goals: (1) selection and concentration of management resources, (2) strategic financial management with a focus on the balance sheet, and (3) a robust global foundation to support future growth. To support our pursuit of these goals from a human resources standpoint, we are working on "enhancing the quality of our human resources" and "fostering a culture of embracing challenge" as key planks of our human capital strategy. By nurturing global talent, furthering human resource mobility, transforming our corporate culture, and reforming our personnel system, we are supporting each and every employee in performing to their full potential and proactively taking on challenges.

Creating Value through Human Capital Measures

In support of the above initiatives, we practice a human resources strategy that achieves sustainable value creation by linking the policies underpinning our human capital foundation, such as stronger organization, individual growth, and promotion of health & productivity management. By enhancing human capital in this manner, we seek to encourage proactive behavior and the embrace of challenge among our employees, creating a virtuous cycle in which the outcomes lead to business growth. On the following pages, we discuss key human resources measures we are implementing under this human capital policy.

* Initiatives in bold are discussed in detail on the following pages



* Encompasses the following four initiatives: (1) Global HR Committee, (2) Global Mobility Program, (3) Global Talent Development Program, and (4) Global Mindset Development Program

(1) From Reactive HR to Strategic and Planned HR

Link between HR Strategy and Business Strategy

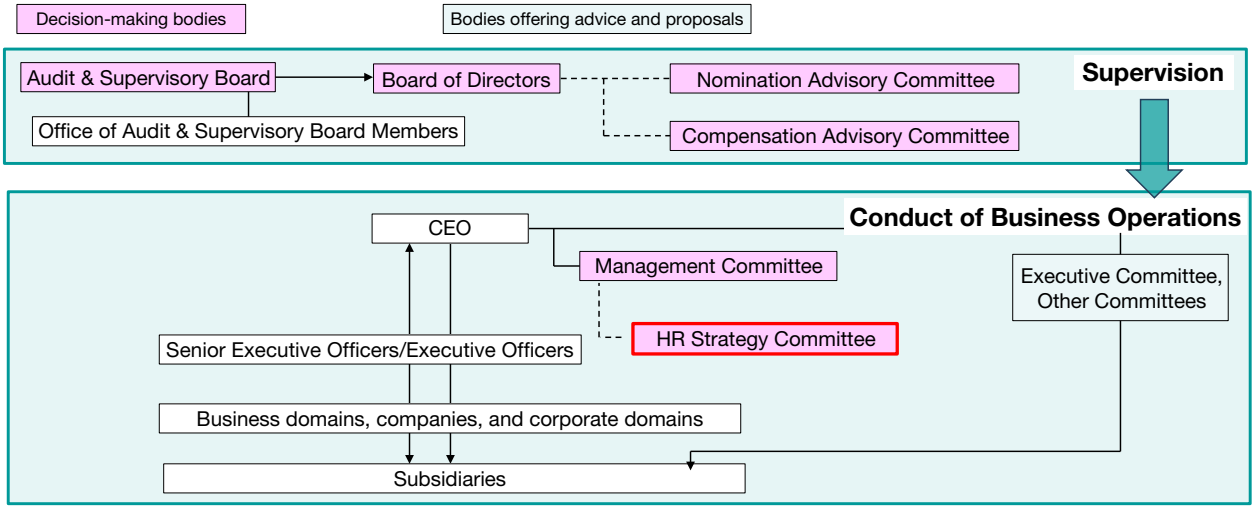
Establishment of New HR Strategy Committee

We have established a new HR Strategy Committee to strengthen the link between our HR strategy and business strategy and in doing so enhance our global management foundation. The HR Strategy Committee will serve as an advisory body to the Management Committee, taking a management approach to deliberating and organizing medium- to long-term aspects of our HR strategy—including workforce planning and deployment policies, executive and leadership development, succession planning, and HR system reforms—and playing a supportive role in the formulation and implementation of Company-wide policies.

There have been limited opportunities to date for discussion that encompasses both our business strategy and HR strategy. Against this backdrop, the HR Strategy Committee was established to link management- and HR-related decision-making and systematically build the type of human capital foundation needed for strategy execution.

Chaired by the CHRO and comprised of key CxOs and business heads, the HR Strategy Committee will work toward human capital utilization that transcends regional boundaries by taking a comprehensive approach to global workforce planning and policies for training management personnel.

By sharing and monitoring progress with succession planning and workforce deployment initiatives at the management level, we can enhance the effectiveness and consistency of our HR policies and put into practice human capital policies that are reflective of our business strategy.



Identifying and Training Management Personnel

Succession Planning

We are taking steps to improve succession planning as a key means of strengthening our management foundation. With a focus on core positions (CxOs and individuals of department manager rank and above), we seek to continuously turn out future leaders by systematically identifying and training candidates for succession, primarily among executives, department heads, and group company managers. We are taking a hierarchical approach to the screening process to ensure globally consistent succession planning, with identification and training for executive-level candidates spearheaded by the Company, and that for management-level candidates led by regional headquarters and individual companies.

As a means of further enhancing our succession planning efficacy, we are developing a training platform to nurture next-generation management talent in a strategic fashion. We are designing training programs tailored to individuals' occupational roles and stages of development, from candidates for executive positions to next-generation leaders. These programs are designed to equip trainees with a management perspective, an understanding of the Company's business strategy, and stronger leadership capabilities. Alongside the training delivered to candidates for executive positions, we also intend to provide practical learning opportunities to candidates for department managers and section managers by combining methods such as project-based learning and external training.

In this manner, we are taking a strategic approach to training succession candidates and building a platform for systematically and continuously turning out individuals capable of leading future management.

Succession planning: target positions and areas of responsibility

Levels within hierarchy		Japan	North America	Europe	Asia * Including Thailand and India
Kubota	Affiliated companies				
Executive level	-	Nomination Advisory Committee			
Department manager level	Supervisors	Human Resources Headquarters			
Section manager level	General managers	Regional Headquarters			
	Managers				

(2) Promoting Human Resource Mobility and Expanding Growth Opportunities

Strengthening Collaboration with Global Talent

Establishing Platform for Global Collaboration

Global Leadership Development
Developing leaders and strengthening collaboration

- Global Annual Meeting:
  Nurturing global executives and encouraging collaboration between them
- Global HR Committee:
  Setting the global HR tone and promoting interregional collaboration
- Global Talent Development Program:
  Fostering candidates for management positions
- Global Mindset Program:
  Encouraging a global mindset among Kubota general managers

Global Knowledge Circulation
Sharing know-how

- Global Mobility Program:
  Promoting personnel exchanges and mutual understanding
- Sharing the Kubota philosophy and top management's perspectives

Sustainable Leadership Pipeline
Ongoing identification of leadership candidates

- Succession program
- Grading and compensation surveys, competitive compensation (in certain regions)

The Company is transitioning from a Japan-centric business operation toward a global management system built on collaboration across regional boundaries. To strengthen our management foundations, we are taking an integrated approach to leadership development, organizational collaboration, and personnel exchanges as we seek to build a platform supporting globally consistent decision-making and strategy execution.

To that end, we are strengthening cooperation between management teams through the Global Annual Meeting and Global HR Committee, while nurturing global leaders through the Global Talent Development Program and Global Mindset Program. We are also fostering interregional understanding and greater consistency in organizational capabilities through talent exchanges and know-how transfers via the Global Mobility Program.

Additionally, we are stepping up organizational collaboration with a view to integrating operations across our headquarters, business divisions, and regional headquarters, while also accelerating the development of local leaders and their deployment to strategic posts. In this manner, we will build an HR platform that supports globally consistent decision-making and strategic execution.



Global HR Committee

To strengthen global collaboration more effectively, we established a Global HR Committee made up of HR leaders from every region to streamline our global HR strategy and deepen interregional collaboration. This committee serves as a core consultative body linking headquarters with regional HR departments, and seeks to consistently raise the quality of HR management across the entire Group by sharing each region's HR challenges and initiatives, disseminating best practices across regions, and jointly formulating new HR initiatives.

In this manner, we have been able to optimize allocation of human resources, achieve consistency in policies concerning human resource development, undertake global rollout of measures to improve employee engagement, pursue greater interregional utilization of human resources, and enhance organizational competency.

The Global HR Committee is expected to play a key role in globally standardizing human resource management processes and improving workforce planning and management. We consider our human capital to be an important management resource, which we seek to harness more strategically by gradually gaining greater visibility concerning each region's employee composition and labor cost structure.



Additionally, by strengthening regional HR functions and introducing an HR Business Partner (HRBP) system, we aim to achieve greater coordination between our business and HR strategies while also improving our people and organizational management capabilities at a regional level. Through such initiatives, we seek to establish a strong and unified foundation for people and organizational management that integrates headquarters with each business division and region, facilitating swift and globally consistent decision-making and strategy execution.

Global Mobility Program

We launched the Global Mobility Program (GMP) to support global strengthening of our management foundation and enhance organizational collaboration. The GMP is designed to foster talent capable of generating new value through experiences transcending countries and organizations, and consists primarily of short-term secondments (from six months to one year) to locations in Japan or elsewhere overseas. Participants in the GMP from overseas can draw on their experience working in Japan to gain a deeper understanding of differences in business operations and processes, acquiring a global perspective and enhancing their evolution into future leaders.

These cross-border experiences moreover lead to the formation of interregional human networks that enable seamless collaboration between headquarters and overseas locations even after participants complete the program. This enhances mutual understanding and collaboration between regions, building improved organizational capabilities that in turn facilitate timely decision-making and business operations globally. By simultaneously supporting human resource development and organizational collaboration, we expect the GMP to contribute to a global talent base underpinning integrated management of the entire Kubota Group.

Global Talent Development Program

To strengthen global management and human resource utilization toward fulfillment of the Long-Term Vision 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.

This training course has been conducted under the Global Talent Development Program since FY2024, with increasing diversity in terms 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









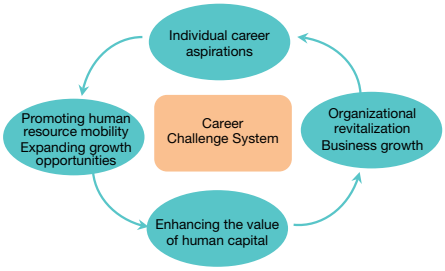
Global Mindset Development Program

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. To date, 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.

Furthering Human Resource Mobility

To support a flexible response to changes in the business environment and achieve sustainable growth, we consider it important to build an environment that affords each employee a say in their own career and opportunities to showcase their abilities beyond organizational boundaries. As part of a program aimed at furthering human resource mobility, we accordingly introduced the Career Challenge System for some employees in general positions in the latter half of 2025.

The Career Challenge System aids employees in identifying their career aspirations and strengths so that they can proactively pursue opportunities to thrive and grow outside of their current department. Interviews with career consultants help employees to determine a career direction while also ensuring that the right people are considered for the right positions. Thus far, approximately 100 people have applied, and more than half have undergone interviews with career consultants. Through this system, we aim to support employees in developing their careers autonomously while at the same time achieving better human resource utilization across the organization.



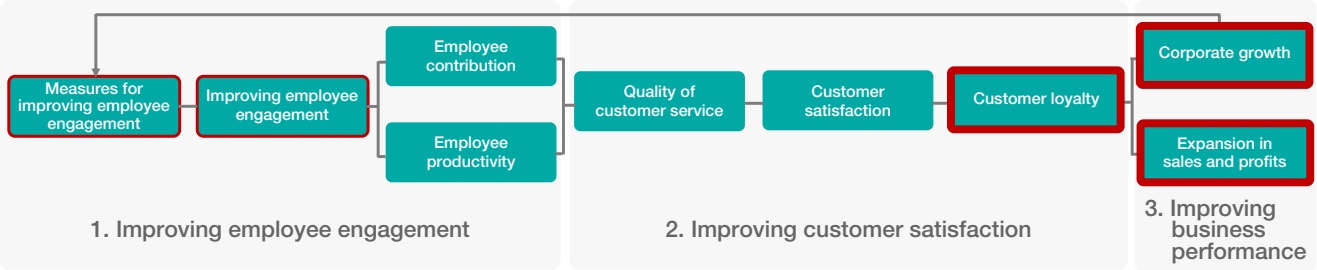
(3) Creating an Environment That Encourages Employees to Take on New Challenges

Encouraging Proactive Behavior by Employees

Improving Employee Engagement

In working toward the goals set in Mid-Term Business Plan 2030, we consider the creation of an organizational environment that encourages employees to take on new challenges to be a key aspect of our human resources strategy. To achieve sustainable growth while also adapting to changes in the business environment, we think it essential to foster an organizational culture in which each and every employee takes on challenges proactively and endeavors to create new value. This in turn rests on improving employee engagement, since in organizations where engagement is strong, employees tend to engage proactively in their roles and duties, boosting the productivity of the organization as a whole.

By strengthening organizational management and operations based on dialogue, we are creating an environment in which employees can confidently embrace new challenges. This enhances the willingness of employees to contribute and take the initiative, heightening employee productivity and generating value for the customer. With employee engagement improvement as the starting point, we aim to create a positive cycle of heightened organizational productivity and business performance, as well as attainment of Mid-Term Business Plan 2030 objectives and sustainable enhancement of corporate value.



The Kubota Group has positioned improving employee engagement as an important theme for our human resources strategy, as we work toward sustainable enhancement of corporate value. By 2030, the Group as a whole aims to reach a point where the employee engagement improvement cycle functions autonomously. We seek to grow both our people and the organization by consistently repeating a cycle of visualizing the organization's current state through engagement surveys, and devising and implementing improvement measures based on issues that were identified.

To facilitate that cycle, we are building a promotion system that incorporates input from management, an HR department that provides organizational development support, and an organizational culture that values dialogue. Additionally, we have included the employee engagement score among our KPIs, putting measures in place to reach a target of 60% by 2030.

We plan to deploy these initiatives globally, toward which end our surveys and problem analysis cover overseas locations also. Our organizational development initiatives also consider the culture and business characteristics of each region. In this manner, we seek to offer learning that transcends regional boundaries and opportunities for putting those lessons into practice, establishing a positive cycle of Group-wide employee engagement improvement.



Engagement Survey Results

Approximately 26,000 employees participated in the engagement survey in FY2025, including employees at domestic and overseas group companies. The Group-wide engagement score was 47%, which represents steady improvement and demonstrates that efforts to promote dialogue throughout the organization and improve management are gradually yielding results. Of particular note was the large percentage of employees who clearly share Kubota's business ideals and vision, as evidenced by the high number agreeing with statements such as "I feel that the Company's business contributes to society" and "I resonate with Kubota's identity."

As our businesses address social issues such as food, water, and the environment, this excites a sense of pride and mission to our employees that is critical in supporting organizational engagement. Going forward, we plan to build on this shared empathy with the Company's social contribution to create an environment that enables each and every employee to take on challenges proactively. By practicing dialogue-based management and expanding career and growth opportunities, we are working to enhance our human capital by supporting employees in demonstrating their abilities and embracing challenge.

Engagement Scores and Number of Employees Surveyed

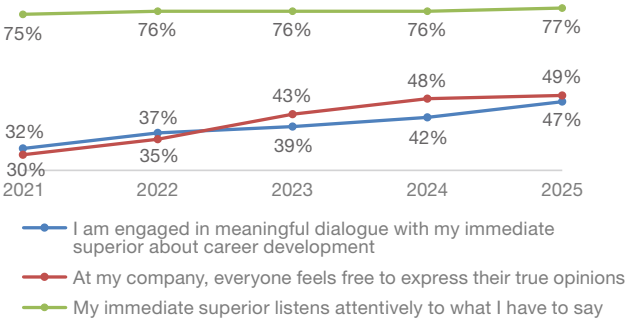
FY	2022	2023	2024	2025
Group-wide	45%	46%	45%	47%
Kubota Corporation (regular employees)	51%	52%	53%	53%
No. of employees surveyed	14,220	21,477	20,373	26,317

Empathy with Company's Social Contribution and Vision



Based on previous survey results, communication and opportunity for growth have been identified as issues in terms of employee engagement. Scores on these counts show an improving trend, though, having increased annually on the back of measures such as 1-on-1 meetings, career development training, and promoting the use of a system for employees to report concerns to HR. Looking ahead, we aim to further facilitate dialogue-based organizational management by expanding opportunities for dialogue between superiors and subordinates and holding organization-building workshops (see below). We plan to roll out these dialogue-based measures globally to improve engagement across the Kubota Group, supporting independent employees growth and enhancing the organization's vitality.

Scores on Communication and Opportunity for Growth
(Rate of Positive Responses)



Organization-Building Workshops

To foster a culture of dialogue and create an organization that encourages proactive behavior among employees and inspires a willingness to take on challenges, we are working to cultivate a culture of dialogue. As part of this effort, we have held "Organization-Building Workshops" for heads of department since 2023, with around 130 department heads currently participating from around the country and across different departments. In these workshops, managers use the engagement survey results to gauge the shape of their organization, also drawing on their own view of their organization and individual experiences in dialoguing with other participants to outline a vision for their organization.

We are furthermore working to revitalize dialogue within the workplace by consistently repeating the cycle of sharing survey scores, engaging in internal dialogue, taking action, and reflecting on the results. By nurturing a culture of dialogue, we aim to foster an organizational climate that enhances engagement and encourages employees to act with initiative and to embrace challenge.

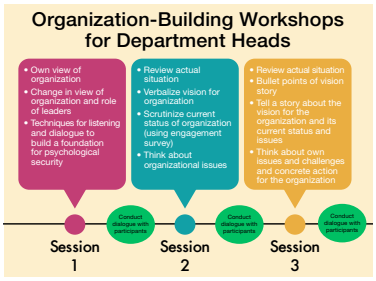
Flowchart of Dialogue and Activities Based on Survey



Dialogue session at an organization-building workshop





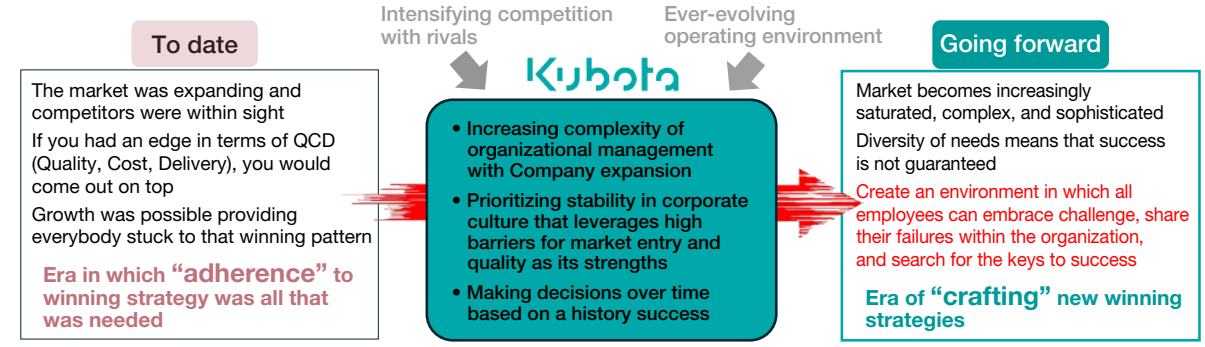


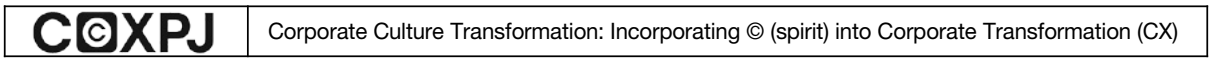
(4) Building Mechanisms That Embrace Challenge

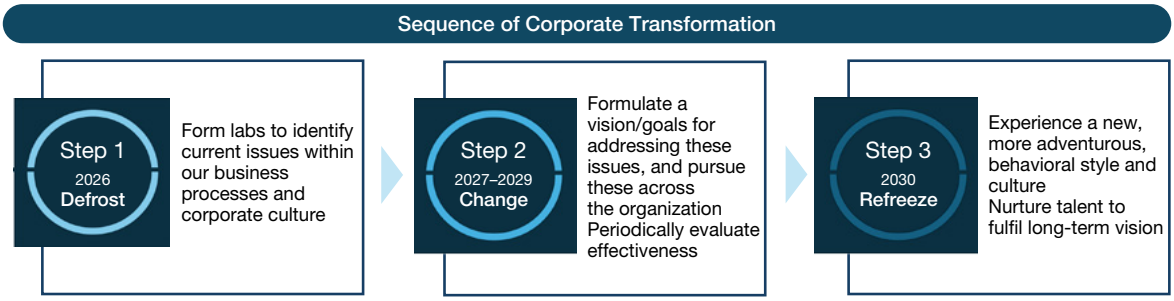
Accelerating Exploration of New Businesses

Launch of C©XPJ (Corporate Culture Reform Project)

Simply following past recipes for success will not guarantee sustainable growth in today's increasingly sophisticated and complex market. In implementing Mid-Term Business Plan 2030 "Focus & Breakthrough," we aim to transform our corporate culture into one in which new value is generated by taking on challenges. Through C©XPJ, we seek to enhance corporate value by fostering an organizational culture that devises winning strategies out of the lessons learned through failure, thereby establishing a culture of embracing challenge while enabling our employees to perform to their full potential.

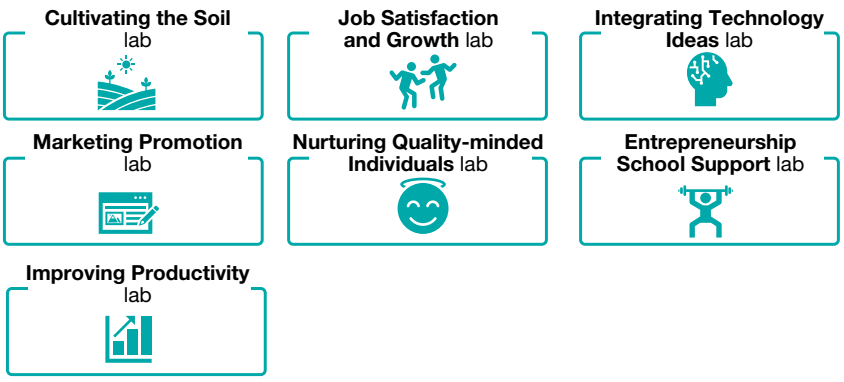






As part of the Corporate Culture Transformation Project (C©XPJ), we have established "labs" as a means of taking an organizational culture that embraces challenge and translating this into concrete action. These labs provide a forum for employees with ideas or concerns about the current organization to join theme-based groups where they can identify and address issues through learning, discussion, and practice, and explore possibilities for creating new value.

With themes that currently include Cultivating the Soil, Job Satisfaction and Growth, Integrating Technology Ideas, Marketing Promotion, Nurturing Quality-minded Individuals, Entrepreneurship School Support, and Improving Productivity, these labs allow employees to engage in dialogue and co-creation without being bound by department or rank. Through activities such as these, insights and ideas from the front line are incorporated into organizational transformation, also contributing to a culture of continuous learning through new challenges. The ideas and actions of participating employees will be put to use in devising new labs and initiatives, forming a virtuous cycle of corporate culture transformation.



Evolution and Acceleration of Entrepreneurship School

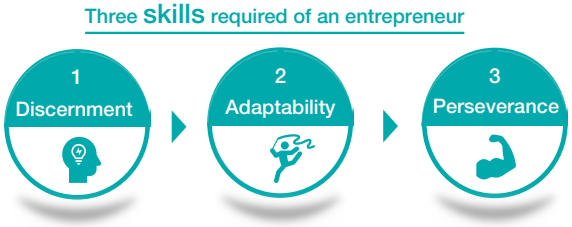
We are fostering the C©XPJ to foster a corporate culture that not only embraces challenge, but also is capable of creating entirely new businesses through the act of taking on those challenges.

Among specific initiatives under the C©XPJ, we will introduce an Entrepreneurship School.

Kubota is an advocate of “ambidextrous management,” which aims to grow existing businesses while at the same time creating new businesses. Although sales of the Farm & Industrial Machinery business have increased in recent years, this has been largely due to favorable forex rates and price increases. We still have work to do in terms of growing sales volumes and achieving sufficient expansion in the water and environment domain. If we are to surmount these challenges and achieve sustainable growth, we must commit to exploring new businesses as well as deepening (refining) existing businesses. Opened in 2024, the Entrepreneurship School has a key role to play in this regard, with 47 employees taking part thus far. Previously, the Entrepreneurship School was positioned as an employee training offering but as of 2026 (its third year in operation), the school has evolved and accelerated into a more formal process for exploring new businesses.

Participants in the Entrepreneurship School not only learn about fostering a culture of embracing challenge and methods for creating new businesses, but also have opportunities to explore the commercialization of business seeds that have passed a rigorous final screening. Ideas thus identified are relayed to the Agri Solutions Headquarters if they are agriculture-related, or to the relevant business unit if they are water or environment-related, with a view to creating new businesses that likely would not have been come about purely through division-level thinking. Kubota has a wide array of assets, and we believe new value can be created in the food, water, and environment domains by getting the most out of these assets. The Entrepreneurship School offers employees the opportunity to embrace challenge and creation through active involvement. Going forward, we will continue to evolve and accelerate the Entrepreneurship School as we seek to ensure sustainable growth for Kubota while also contributing to society.

Through the activities mentioned above, Kubota will foster entrepreneurial talent who will create new value. To clarify the behavioral characteristics required of such talent, we have identified three key strengths we seek in entrepreneurial talent.



1. **Discernment:** The ability to swiftly identify and act upon the most appropriate option, making full use of the available frameworks and human networks.
2. **Adaptability:** The ability to set aside biases and make flexible and timely decisions by combining accurate information from the front line with resources at hand.
3. **Perseverance:** The ability to see things through with tenacity and persist until results are achieved; impossible without a strong sense of the Company’s business mission.

(5) Stronger Organization

Strengthening People and Organizational Foundation with View to Enhancing Business Execution Capabilities

Town Hall Meetings

To achieve our Long-Term Vision, we are strengthening internal communication to become "One Kubota" from a communication perspective. As part of this effort we conduct town hall meetings, mainly between senior officers and the section managers who form the backbone of Kubota operations, and between individual executives and newly appointed managers and younger employees.

At these town hall meetings, executives actively engage in dialogue with employees and share their own thoughts and feelings. We believe that having managers engage in direct dialogue with employees and relay their own experiences contributes to building a culture of dialog within the organization while also improving employee engagement. We further believe that enabling participants to learn of each other's thoughts and feelings results in more effective dialogue by helping to forge relationships and a sense of unity.



Holding 1-on-1 Meeting

We believe that implementing 1-on-1 meeting 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. Since 2024, we have been conducting training programs for frontline job supervisors that focus on dialogue skills and attitudes that elicit proactive action from others.

In 2025, we held 1-on-1 meeting sessions for approximately 100 employees from the Sakai Plant and KGIT. This training provides 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 are looking at expanding this culture of dialogue to other business locations.



Establishing an HRBP System

At Kubota, we are building an HR Business Partner (HRBP) system with an eye to strengthening our HR functions and enhancing our business execution capabilities. In view of the changing operating environment and expansion of our global business, as well as the rising interest in human capital management, we see a need to transition from the management-centered HR approach of old to a strategic HR style that contributes to business growth. To that end, we are establishing a system whereby HRBPs within each business division and functional division work closely with those in charge toward the resolution of HR issues.

Guided by the Company's business strategies and the organizational challenges thus far identified, these HRBPs support business growth from a human resources standpoint by assisting with tasks ranging from workforce planning to implementing HR systems (i.e., performance evaluation and promotion), advancing succession plans, and undertaking measures to improve engagement. HRBPs are expected to form a deep understanding of the Company's business, human resources, and strategy so that they can identify issues to be raised with management and the relevant business divisions, and spearhead solutions.



Practically speaking, HRBPs will work in tandem with specialized members of the HR department on initiatives for organizational and human capital development and nurturing strategic personnel, as well as on steps to strengthen organizational capabilities. By further deepening the ties between HR and the Company's businesses, we expect the HRBP system to aid in integrating our business strategy and HR strategy, thereby improving organizational execution and enhancing corporate value in a sustainable manner. We think these HRBPs have an important role to play in supporting the Kubota Group's growth as strategic business partners in the human resources domain.

(6) Individual Growth

Career and Development Support to Foster Growth and Expertise

Implementation of Career Development Training by Age Group

To encourage each employee to take an active role in shaping their own careers and foster a spirit of initiative, thereby promoting sustainable growth and employee retention, we conduct career development training by age group for employees at every level, from entry-level to mid-career and senior staff. In addition to the training programs for employees in their 20s that we have long offered, we introduced programs for those in their 30s in 2022 and for those in their 40s and 50s in 2023, providing support tailored to the career challenges and turning points faced by each generation. All of these training programs focus on small-group work, and participants engage in dialogue with themselves and their peers to reaffirm their values and articulate what they hope to achieve at Kubota. Moving forward, we will continue to offer training programs that take into account changing environments and the characteristics of different generations, helping each individual chart their own unique career path and take proactive steps toward their goals.

	20s	30s	40s	50s
Scope	Technical staff in their third year after graduation	Technical staff/managerial staff age 33-37	Technical staff/managerial staff around age 45	Technical staff/managerial staff age 55
Required or elective	Required	Elective	Elective	Required
Theme	Reflect on your work experience and, through dialogue, reaffirm the mindset expected of business professionals. Identify the connection between the expectations of the company and your own values, and develop a clearer vision of who you should be and who you aspire to be.	Reflect on your work experience to identify your sources of motivation and your strengths. Deepen your understanding of the changes in your environment and consider how to adapt to your evolving role. Envision how you can contribute while taking your personal characteristics into account.	Understand the importance of continuing to learn. With half of one's career still ahead and energy and stamina at their peak, this serves as an opportunity to recognize the importance of proactively preparing future options rather than relying solely on the company, and to reflect on this.	Understand the importance of continuing to learn. To graduate from one's career with pride and lead a long, meaningful life, one must clarify how to leverage one's strengths to contribute to the company and society.
Form	In-person one day	Online one day		

Skill Support (Development of a Job-Specific HR Development Framework and Career Paths)

Enhancements to the Job-Specific HR Development Framework

To accelerate employee growth, we are working to strengthen our job-specific HR development framework. In 2023, we established the Human Resources Development Council to facilitate information sharing and collaboration among the departments responsible for HR development across various job categories. We hold regular meetings to discuss ways to raise overall development standards and identify the most effective growth support measures for each job category. Starting in 2026, we will further expand this initiative and create an environment where employees can acquire the skills needed in their respective workplaces at an earlier stage.

Introduction of Growth Path, a Self-Reflection Support Program Tailored by Job Category

As part of our efforts to strengthen HR development by job category, we are promoting the introduction of Growth Path, a program designed to support employees' self-directed growth. The program is a tool designed to help employees understand their current position (current level) and proactively set goals for their professional growth.

As of 2025, Growth Path has been introduced for three job categories—personnel, procurement, and production technology/manufacturing—and we plan to expand the job categories supported going forward.

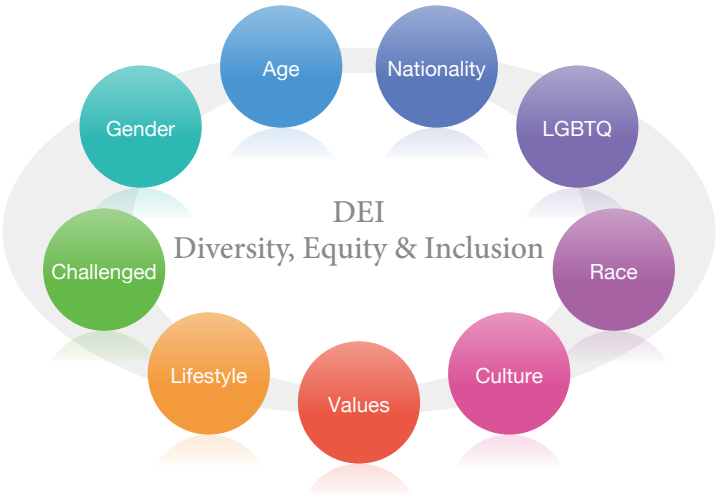
Kubota Group's Diversity Management

The Kubota Group has positioned diversity, equity, and inclusion (DEI) at the core of its management strategy as the foundation for sustainable growth, and is working to foster a corporate culture where diverse individuals can fully realize their potential. We believe that respecting diverse values and experiences, and leveraging our differences to create new value, is essential to enhancing our competitiveness in the global market.

We place particular emphasis on equity and are working to provide opportunities tailored to the individual circumstances of each employee. We continue to implement a wide range of initiatives, including expanding flexible work arrangements, building a pipeline to promote women's advancement, encouraging the use of work-life balance support programs, strengthening reasonable accommodations for employees with disabilities, and fostering understanding of the LGBTQ community.

In addition, through the expansion of CHRO-led global HR strategies and mobility programs, we have established a framework that enables diverse human resources from both Japan and overseas to thrive. Guided by the spirit of "One Kubota" and "On Your Side," we are strengthening our global organizational operations through collaboration across diverse cultures and locations.

Kubota aims to create an inclusive corporate culture where all employees can work authentically and channel their strengths into creating social and corporate value, and we will continue to accelerate our efforts to promote DEI.



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 2025, which was created by work with Pride Association. 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 2025, 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 DEI, 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 FY2026 we were selected for the second consecutive year 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.

Promoting Women's Advancement

At the Kubota Group, we place high priority on diversity, equity and inclusion (DEI) and are committed to fostering an inclusive workplace where diverse human resources can fully utilize their abilities. As part of these initiatives, in 2024 we launched an unconscious bias training program to deepen understanding of unconscious biases and help each individual recognize and address their own biases. In the first fiscal year, we implemented the program for executive management and managerial staff, establishing a framework to foster a shift in mindset among those involved in decision-making. Further, in 2025, we expanded the program to include regular employees and domestic Group companies, building a foundation to drive behavioral change among a broader segment. Going forward as well, we will provide ongoing training and learning opportunities and strive to foster a workplace culture where all employees respect one another and where everyone can thrive.

Initiatives to Raise the Ratio of Women in Management Roles

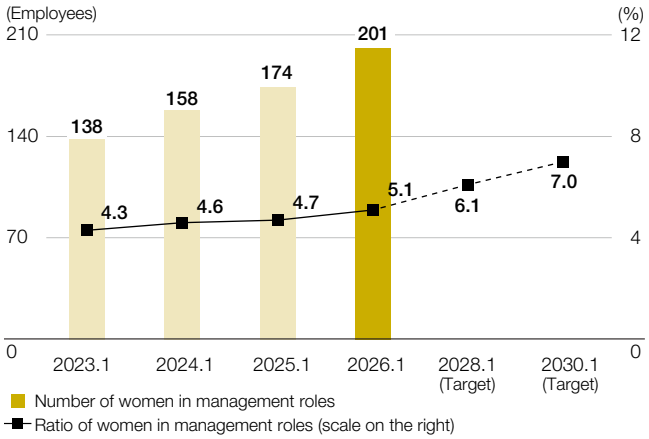
The proportion of female employees in management roles has been increasing each year as a result of our integrated initiatives spanning recruitment, training and promotion. The ratio of women in management roles currently stands at 5.1%. Furthermore, to ensure fair hiring practices regardless of gender, we have implemented measures that prioritize equity, such as revising our human resources systems and expanding work-life balance support to enhance women's advancement. Going forward, we are targeting a 6.1% ratio of women in management roles for 2028 and a 7% ratio in 2030 as we further support the active participation of employees regardless of gender. Starting in 2026, we will institute a new training program, K-Bloom* and by providing seamless career support, we will accelerate the development of female candidates for management roles. Kubota is committed to ensuring unbiased training and promotion and to fostering a workplace environment where all employees can thrive while being themselves. We will foster a work environment that encourages employees to remain motivated and build a corporate culture where diverse human resources can fully utilize their strengths.

* Kubota Women's Building Leadership, Opportunities, and Organizational Momentum

Establishment of K-Bloom Career Development Training for Women

We have launched a new program called K-Bloom to provide systematic support for the career development of young female employees. The program is designed to systematically provide growth opportunities from the initial stage of one's career. It combines career development training with external mentoring to help participants broaden their horizons and enhance their sense of self-efficacy. We support young women in identifying their strengths and career aspirations so they can proactively shape their future careers. At the same time, this program is designed to complement our existing standard training initiatives, serving as a stepping stone toward developing future managerial candidates and deepening their expertise. By establishing systems that support career development from the early stages of a woman's career, we aim to build a human resource foundation that enables women to thrive naturally.

Trend in the Number of Women in Management Roles (Kubota Corp.)



Women's Employee Resource Group

The Women's Employee Resource Group (WERG) was established in 2023 as part of efforts to create a workplace that supports the career development of female employees. WERG is active in the three areas of employee empowerment, organizational culture development, and cross-company collaboration. It promotes both support for individual growth and reforms to the organizational culture. We are working to foster a corporate culture that respects DEI and to establish systems that leverage diversity by boosting employees' willingness to take on challenges through internal and external connections, promoting understanding of unconscious bias, and drawing on best practices from other companies.

In June 2025, a first-term activity report session was held for senior management. Based on the challenges and lessons learned during the past year, the 35 core members presented proposals to senior management for initiatives to support women's career growth. Based on these proposals, we have implemented concrete, company-wide DEI initiatives, including establishment of the new K-Bloom training program for young women.

WERG's events promoting women's advancement are attended not only by female employees but also by many supervisors. Through presentations by managers from technical divisions, discussions were held on understanding the challenges of balancing work and childcare, support from supervisors, and building teams that enable diverse work styles. With management's active involvement, the importance of practical support has been widely recognized, and, combined with cross-departmental exchanges facilitated by role model roundtables, a culture that encourages female employees to take on new challenges is taking root.


WERG core members and senior management



At the reporting session


Female employee roundtable


Panel discussion with general managers

(7) Promotion of Health & Productivity Management

Fostering a Culture That Values Physical and Mental Health

We believe that maintaining and improving the health of every individual, and the creation of workplaces where all employees experience job satisfaction, are key to strengthening our human capital and in doing so improving profitability. We accordingly have positioned health & productivity management as one of the three pillars of our human capital strategy.

Basic Approach

For the Kubota Group to continue creating the solutions that are needed by society, it is essential that we maintain and improve the physical and mental health of our employees, who are the driving force behind our operations. We support the Kubota Group's human capital by creating workplaces in which each employee feels a sense of purpose and job satisfaction, and by fostering a culture that values the physical and mental health of every employee, thereby maximizing organizational performance.

(1) Strategy	(2) Policy	(3) KPI
Develop an effective cycle of investment in human capital through data analysis based on the "Health & Productivity Management Strategy Map"	Increase the number of employees who have the health literacy to see how health impacts them directly and to independently work to maintain and improve it	Performance level (presenteeism)

* Health & Productivity Management as featured in this publication is a registered trademark of the Nonprofit Organization Kenkokeiei.

Kubota Group Health Declaration

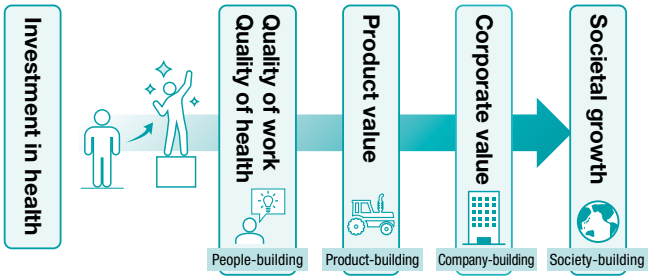
At the Kubota Group, top management have ultimate responsibility for promoting health & productivity management, and do so by working in close collaboration with the Well-being Management Department, the Kubota Health Insurance Society, occupational health staff, and the human resources, labor affairs, and other departments. In July 2021, the Kubota Group formulated the "Kubota Group Health Declaration" to firmly embed the vision and approach of our health & productivity management throughout the organization.

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.

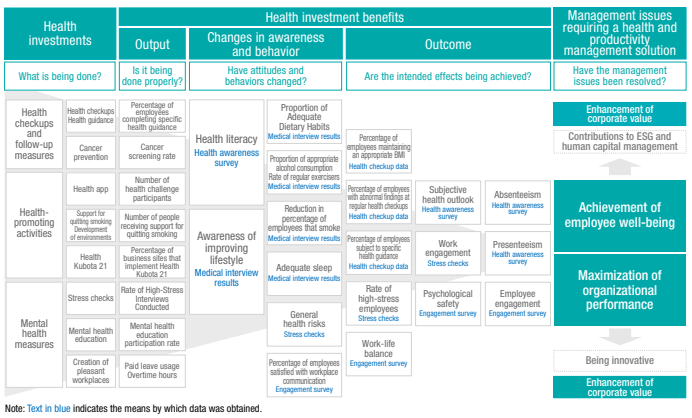
Creating a Value Chain through Investment in Health

We regard our employee health initiatives as an investment rather than a cost. We think that improving individual employees' health also serves to enhance workplace vitality, creativity, and productivity, enabling the Group to supply better products and services. We aim to leverage this "value chain" to strengthen our human capital, thereby improving profitability (≒ enhancing corporate value), and helping to realize a better society through our business.



Building an Effective Investment Cycle Based on the "Health & Productivity Management Strategy Map"

Our "Health & Productivity Management Strategy Map" takes the concepts comprising the aforementioned "value chain" and outlines a concrete strategy for their implementation. This map visualizes how our health investments (measures) improve the quality of work by enhancing employees' health and work styles, ultimately boosting profitability by strengthening our human capital. Going forward, we will continue to regularly update this map by analyzing and verifying data from health checkups, data on working hours, and data collected in a range of surveys, as we seek to build a more effective and sustainable human capital investment cycle.



Initiatives toward Key Objectives of "Reducing Health Risk" and "Restructuring the Occupational Health System"

As medium-term initiatives in the area of health & productivity management, Kubota has identified "Reducing Health Risk" and "Restructuring the Occupational Health System" as key objectives for 2030. We are addressing five themes under the objective of "Reducing Health Risk," namely: measures against worsening of lifestyle-related diseases, mental health measures, improving health literacy, strengthening management functions that support health & productivity management, and smoking cessation measures. These initiatives are designed to maintain and improve employees' health and strengthen functions that support health in the workplace. Under the objective of "Restructuring the Occupational Health System," Kubota furthermore aims to build a support system that is not regionally biased, in order to ensure the ongoing pursuit of occupational health activities throughout the company. By doing so, we seek to improve employees' performance level (presenteeism).

* "Performance level (presenteeism)" is an indicator expressing the extent to which employees' productivity and ability to do their duty drop when they attend work with some kind of illness or symptoms. It is measured via SPQ score (on a scale of 0–100%, using the Single-Item Presenteeism Questionnaire developed by the University of Tokyo)*.

Health & Productivity Management Mid-Term Plan 2026–2030

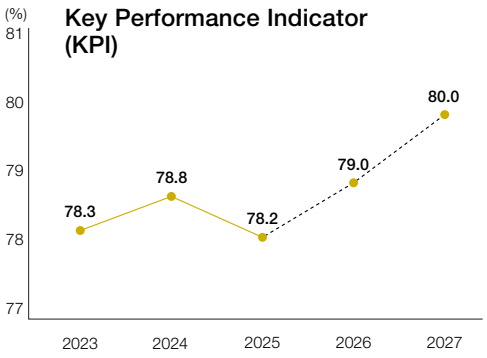
Six themes		Tasks	Indicators
Reducing health risk	Measures against worsening of lifestyle-related diseases	Preventing lifestyle-related diseases Strengthening measures to prevent severe illness	• Percentage of patients requiring follow-up medical examinations after checkups
	Mental health measures	Preventing renewed long-term absences due to mental health issues Preventing new onset of mental health issues	• Absence rate • Rate of recurrence
	Improving health literacy	Supporting workplace-based health promotion activities Supporting individual health promotion activities	• Health literacy, as measured by CCHL scale
	Strengthening management functions that support health & productivity management	Support for managers and supervisors	• Perceived organizational support (POS)
	Smoking cessation measures	Measures to prevent passive smoking and reduce number of smokers	• Smoking rate
Restructuring the occupational health system	Restructuring the occupational health system	Building an occupational health system with no regional bias	–

Performance indicator (KPI)

Performance level (presenteeism)

Health & Productivity Management Performance Indicator (KPI)

For the Kubota Group, good health is not a goal, but rather a starting point, and the basis for each employee's happiness and self-fulfillment. On this premise, we have identified performance level (presenteeism) as a key performance indicator (KPI) for health & productivity management, one of the three pillars of our human capital strategy, and set a target of 83% by 2030. We will continue to monitor this indicator and leverage the results in improving our health initiatives and workplace environment.



Kubota Group's Health Status

* Health Scoring Report data for Kubota Health Insurance Society members aged 40 and over (unit: %)

	KPI	2020	2021	2022	2023	2024	5-year trend
Interview results concerning lifestyle habits	Smoking rate	31.9	30.8	29.6	29.1	28.5	Improving
	Percentage of employees with appropriate exercise habits • Defined as agreeing with two or more of the following three statements: (1) you are in the habit of doing exercise that makes you sweat for at least 30 minutes per session, two or more times a week, and over a period of one year or more; (2) you walk or engage in equivalent physical activity for at least one hour per day; and (3) your walking speed is faster than other people of the same gender and roughly the same age.	34.5	35.0	36.1	37.7	38.9	Improving
	Percentage of employees with appropriate eating habits • Defined as agreeing with three or more of the following four statements: (1) you do not wolf down your food; (2) you eat dinner within two hours of going to bed fewer than three times a week; (3) you rarely eat outside of the three daily meals (breakfast, lunch, and dinner); and (4) you skip breakfast fewer than three times a week.	49.3	48.4	46.1	45.5	45.7	Deteriorating
	Percentage of employees with appropriate drinking habits • Defined as disagreeing with either of the following two criteria: (1) you drink alcoholic beverages "every day," consuming at least 360ml per day; or (2) you drink alcoholic beverages "sometimes," consuming at least 540ml per day.	86.5	87.3	87.7	87.7	86.0	Unchanged
	Percentage of employees getting enough sleep • Defined as sleeping well and enough	62.7	60.8	60.1	59.4	58.8	Deteriorating
Lifestyle disease risk	Percentage of employees at risk of visceral fat obesity • Defined as BMI of 25 or greater, or waist circumference of 85cm or more for men, 90cm or more for women	49.4	49.7	49.6	49.3	49.9	Unchanged
	Percentage of employees at risk of hypertension • Defined as systolic blood pressure of 130 mmHg or higher, or diastolic blood pressure of 85 mmHg or higher	40.9	38.7	38.1	37.8	38.5	Improving
	Percentage of employees at risk of liver dysfunction • Defined as AST of 31 or more, ALT of 31 or more, or γ-GTP of 51 or more	41.8	40.8	39.0	39.0	39.9	Improving
	Percentage of employees at risk of dyslipidemia • Defined as a triglyceride level of 150 mg/dL or higher, or HDL cholesterol level of less than 40 mg/dL	25.7	22.1	20.9	21.5	21.6	Improving
	Percentage of employees at risk of diabetes • Defined as a fasting blood sugar reading (or if necessary, random blood sugar reading) of 100 mg/dL or higher, or an HbA1c reading of 5.6% or higher	26.3	26.3	26.7	26.2	27.6	Deteriorating

Examples of Initiatives to Reduce Health Risk

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.

1. Promoting health through use of health apps

In 2022, the Kubota Health Insurance Society introduced a health app to support employees in autonomously pursuing health. The app encourages employees to check on their health status at any time and adjust their habits accordingly, in doing so contributing to continuous improvement in employee health.

2. Supporting changes in behavior through the “Kubota Health Challenge”

The health app is the platform for a range of health-promoting activities implemented under the “Kubota Health Challenge,” whereby employees are incentivized to take part in health initiatives, including walking events and keeping a record of body weight, sleep patterns, blood pressure, and other measurements, through the awarding of points that can be exchanged for gifts. By encouraging proactive participation in this manner, we aim to improve employees’ health literacy and bring about behavioral changes.

3. Developing health-building activities tailored to individual workplaces

As part of a collaborative project with the Kubota Health Insurance Society, specially appointed committee members at each workplace spearhead health-building activities, known as “Health Kubota 21” activities, tailored to the circumstances of individual workplaces. By combining a Company-wide platform with initiatives undertaken by each workplace, we are promoting improved health awareness and putting in place health promotion activities that revolve around the workplace.

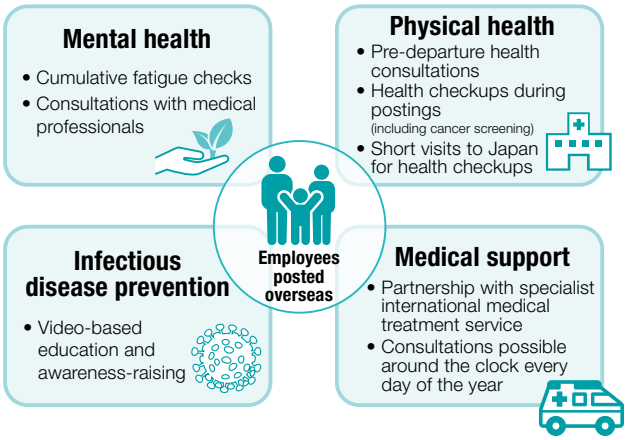


▲ Workplace events (Health BINGO, InBody body composition analysis)

Health Support for Overseas-Based Employees and Their Families

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 received certification for the third consecutive year from the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi as an Outstanding Organization of KENKO Investment for Health in 2026 (Large Enterprise Category). 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.

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

Promoter’s Thoughts



Koichiro Kameda

General Manager of the Well-being Management Department and General Manager of the Healthcare Services Department, Kubota Health Insurance Society

Individual employees looking after their physical and mental health is the cornerstone of business operations

The Kubota Group believes that it is by maintaining and promoting employee health that we can produce lively workplaces and create new value, and so in 2021 we created a dedicated organization to further promote health & productivity management. All of the organization’s members also serve in the Kubota Health Insurance Society and work on integrated operations between the Kubota Group and the health insurance society (collaborative health). Good health is not the ultimate goal, it is the starting point, and the basis for each employee’s happiness and self-fulfillment. Through our Long-Term Vision, we aim to be an “Essentials Innovator for Supporting Life” and our mission is to support the health of the employees who will make that a reality.

Occupational Health and Safety

Basic Approach

Customer satisfaction cannot be achieved 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 “intolerable risks” through risk assessment activities conducted in Japan and globally.

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 CEO.

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 entrapment 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.”

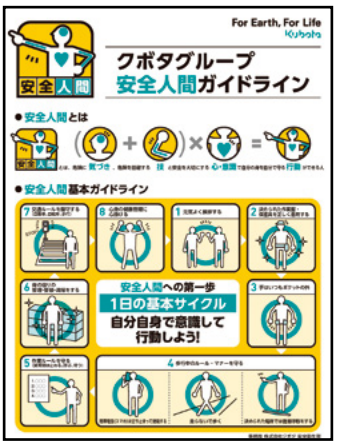
Safety is our First Priority

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.

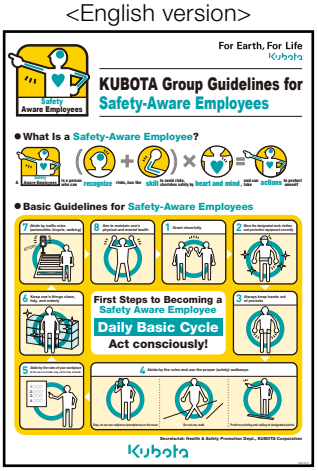
Basic Guidelines for Safety-Aware Employees

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 inadvertent actions and taking shortcuts.

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*3.

*3 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*4

*4 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

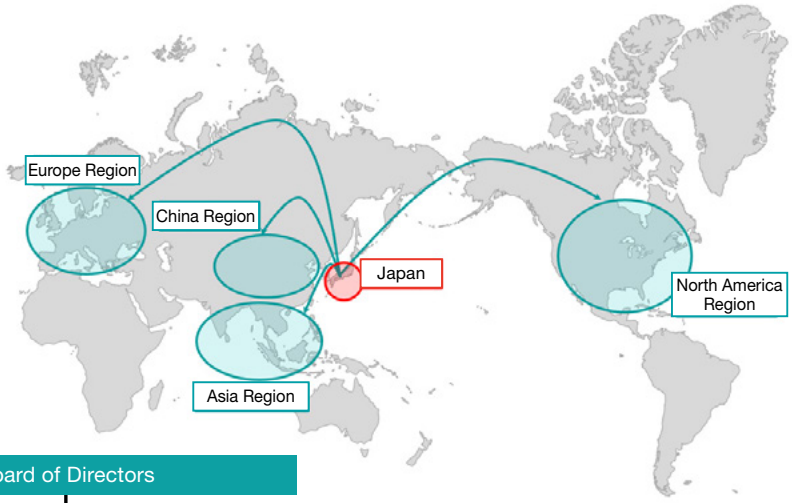
(2) Responding to revisions to chemical substance laws

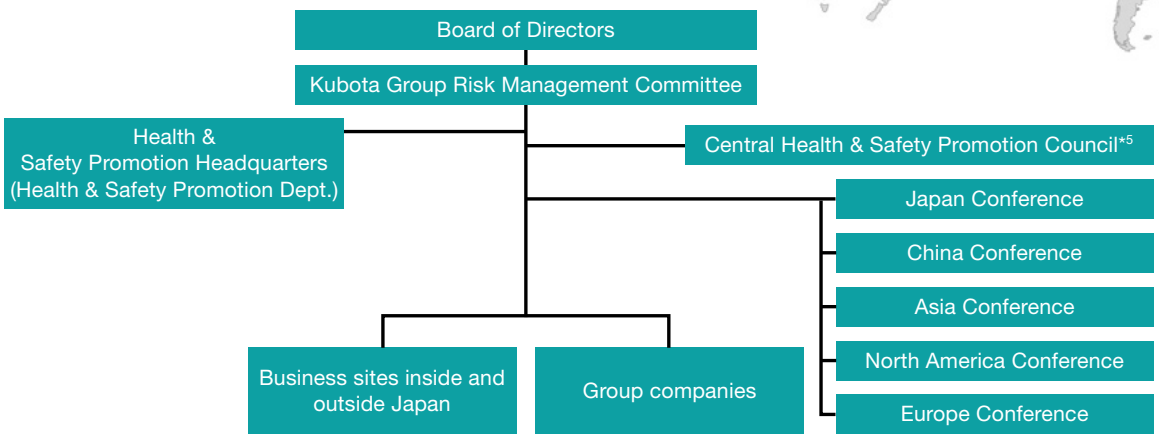
Health and Safety Promotion System

To achieve the goals in our mid-term plan, we are promoting health and safety activities globally across our sites inside and outside Japan by implementing health and safety policies and various safety standards developed by the Head Office and the Health & Safety Promotion Dept.

At our sites in Japan, we promote health and safety activities together with site managers and departments responsible for health and safety.

Our sites outside Japan promote voluntary health and safety activities in each region in cooperation with the Head Office, the Health & Safety Promotion Dept. and each overseas region.





*5 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 FY2025

In FY2025, the entire Kubota Group, including companies out of Japan, implemented the following initiatives.

1. Risk identification activities

Activities that focus on confirming points of contact between identified hazards 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 2025.

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 tolerable levels through equipment measures, we standardized safe work practices, conducted education and training, and supervisors performed daily checks and provided instructions. In standardizing work procedures, we are working to clarify the nature of risks (providing a reason for compliance with procedures) and detail procedures for avoiding risk, while also focusing on the translation of tacit knowledge into explicit 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 FY2026

Kubota has clearly set the target below for FY2026, 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 recognition) 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) Establishment and group-wide rollout of lockout system
3. Promotion of safe work operations
   - (1) Thorough work management of intolerable Class A risks
   - (2) Identifying and addressing risks related to operations involving vehicles (forklifts & in-house freight vehicles, products)
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 "Business Rules: Occupational Health and Safety Management System" based on ISO 45001 at select Kubota Group business sites

◆Construction departments

1. Developing Safety-Aware Employees
   - (1) Enhancing the abilities of site general managers
   - (2) Improving safety and health awareness of related contractors
   - (3) Identification of onsite issues and implementation of measures led by site health & safety supervisors
   - (4) Institution of safe behavior
2. Promoting safe operations
   - (1) Prior identification of risks led by site health & safety supervisors
   - (2) Reduction of Class A accident risk by site general managers
   - (3) Thoroughgoing review of work procedure manual for regular processes by plant operation office's general manager
   - (4) Horizontal deployment of measures to prevent recurrence
3. Promoting inherently safe equipment
   - (1) Enforcement of the inspection of opening covers and scaffolding by site health & safety supervisors
   - (2) Identification of hazards by general managers of plant operation offices
4. Promoting sanitary management
   - (1) Preventing exposure to chemical substances
   - (2) Consistent implementation of measures to prevent heat stroke

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. Health and Safety 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 our sites outside Japan, the then President and 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 a site in North America, and the then 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 group leaders


Health and safety training for new employees in staff positions

Implementation Outcomes of Safety Training Programs

Manufacturing Departments

Name of education program	No. of times held	Total participants
Training for new employees	10	577
Elementary training (for young employees)	11	318
Semi-intermediate training	5	168
Training for newly appointed lead persons	4	113
Intermediate training (for mid-level employees)	4	96
Training for newly appointed group leaders	4	44
Training for newly appointed foremen	1	18

Other than Manufacturing Departments

Name of education program	No. of times held	Total participants
Training for new employees	3	283
Safety and health education for mid-career entrants at the time of employment	7	96
Machinery safety education training	4	53
Training for newly promoted managers	10	271
Training for newly appointed section managers	7	145
Training for newly appointed department managers	2	53
Education for officers (Health and Safety Convention)	1	35

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, 2025)

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)

Group companies in Japan

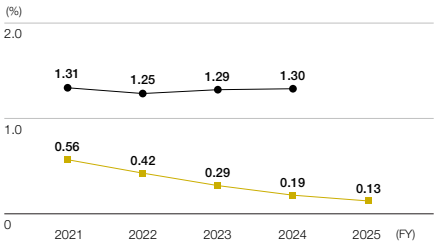
Kubota Construction Co., Ltd.	ISO 45001 certification acquired in Dec. 2020
Kubota Kasui Corporation	ISO 45001 certification acquired in Dec. 2020

Group companies out of Japan

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

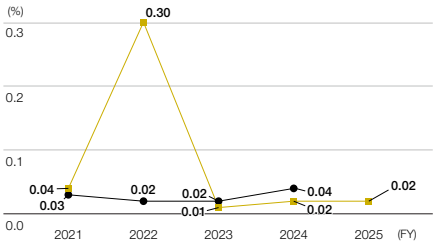
Lost Time Incident Rate (Kubota Group)



<Lost time incident rate>
Work-related deaths and injuries requiring work absence ÷ total personnel hours x 1,000,000

* Average values are published on the Ministry of Health, Labour and Welfare website.

Injury Severity Rate (Kubota Group)



<Injury Severity Rate>
Number of workdays lost ÷ total personnel hours × 1,000

* Average values are published on the Ministry of Health, Labour and Welfare website.

Number of work-related fatalities (Kubota Corporation)

2025: 0

Survey on Industrial Accidents, Ministry of Health, Labour and Welfare (only in Japanese) Click

HR Information and HR Data

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.

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.

<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</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>

Initiatives Concerning Labor-management Relations

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 set the retirement age for full-time employees at 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

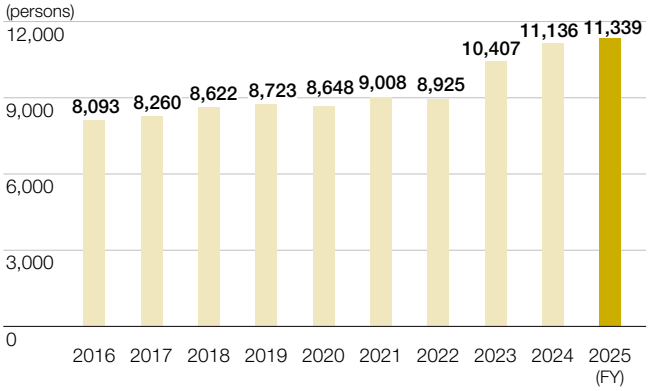
Kubota regards the labor union as the employees' representative and has built up good relations over many years based on active sharing of management information and advance consultation. Additionally, the labor agreement concluded with the Kubota Union guarantees the right to organize and the right 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 79th regular general meeting (personnel data as of June 1, 2025).

Trend in the Number of Union Members



Improving Work-Life Balance and Well-Being

Promoting Independent Work Styles through Kubota Smart Work

Kubota encourages employees to work independently. Through Kubota Smart Work, 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 at their home or an equivalent location for a maximum of two days a week in principle*.

* Employees who need to provide childcare or nursing care are exempt from the maximum of two days a week in principle, but must also spend a minimum number of days in the office.

(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) 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. In addition, we have systems in place to allow employees to work flexibly, including a system for working in a distant location.

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.

2023	2024	2025
106.3%	104.4%	104.9%

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.

Systems Supporting Balancing Work with Family Needs

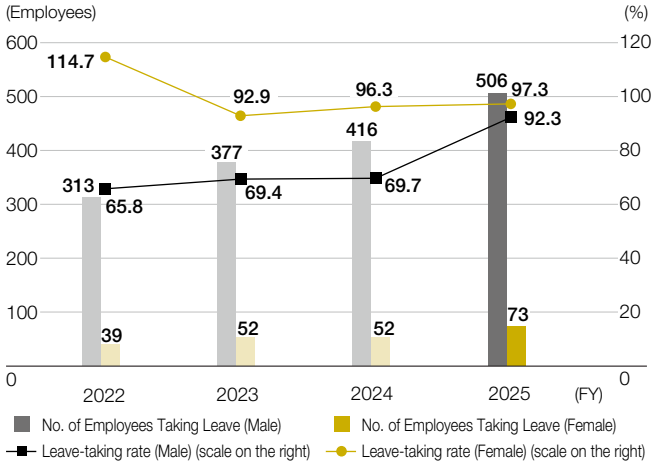
To support employees who combine work with childcare or nursing care, Kubota is taking steps to put in place a work environment that helps male and female staff equally to maintain a work-life balance. In FY2022, we introduced a system of child-planning leave for infertility treatment, through which we continue to support employees' goals in life.

Combining Childcare with Career

Kubota has designated September 19 every year as "Think About Childcare Leave Day." We encourage all employees to take childcare leave, for which the rate of uptake is increasing year by year. Through our Childcare Leave Support Program, which encourages each employee to take the initiative in developing their career and engage in open communication with their superiors, we aim to support employees in achieving a balance between work and family life and create an environment that facilitates taking childcare leave while also fostering mid- to long-term career development, by aiding employees in proactively understanding and effectively utilizing both internal and public systems.

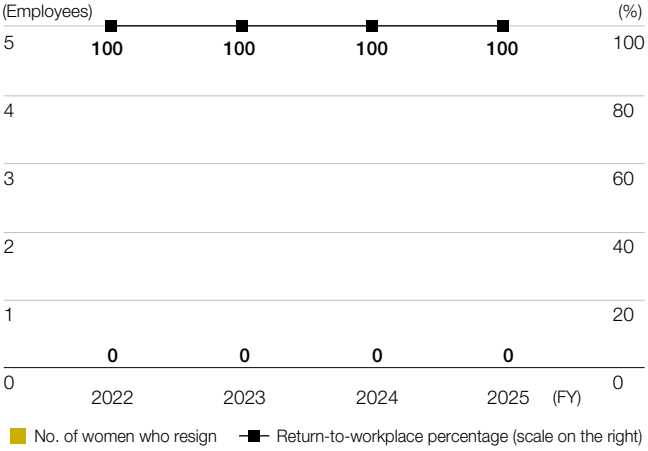
Meanwhile, to dispel concerns about returning to work after childcare leave, we hold online support seminars for employees on childcare leave and their managers, thus creating conditions that allow staff to continue building their career at Kubota after returning from childcare leave. To aid each individual in finding the work style that best suits them, we are expanding our work-life balance support systems to provide employees with more options.

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 2022, from April 1 to March 31 of the following year; for 2023 and after, from January 1 to December 31.

Family Support Leave

Family Support Leave is a special leave system designed to support employees combining work with family duties. In addition to covering leave while employees' children are studying, the system also covers leave for the purpose of nursing or caring for family members. In 2025, the system was expanded to allow employees to take leave for any childcare-related reason while children are still in elementary school.

Distribution of Babysitting Discount Vouchers

With the rise in dual-income households, in January 2025 we began the distribution to employees of babysitting discount coupons issued by the Children and Families Agency. This initiative aims to support employees who are balancing work and childcare responsibilities. The vouchers can be used for in-home care or for transporting children to and from childcare facilities, thereby reducing the burden of childcare and allowing employees to focus on their work with peace of mind.

Balancing Nursing Care and Work

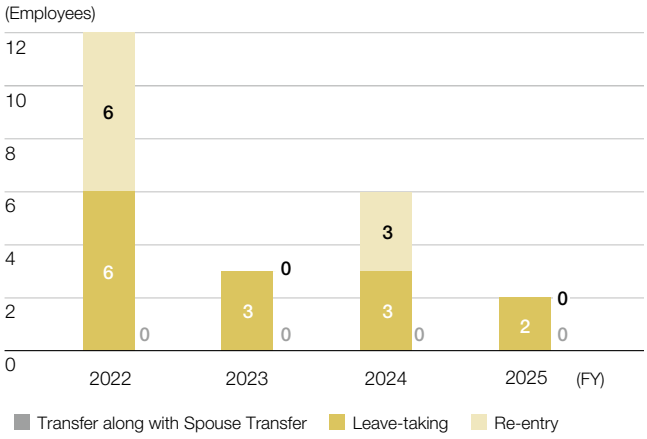
Finding a balance between nursing care and work has become increasingly important in recent years as society ages. In the expectation that more employees will be involved in nursing care in the future, we seek to provide employees with options for balancing work with nursing care by supplying them with caregiving information and improving the workplace environment.

As a new initiative to assist employees in balancing work and caregiving, we established an online consultation desk manned by experts who are available to answer individual employees' questions once a month. Following amendments to the Child Care and Family Care Leave Act, we also conducted an online seminar on caregiving for all regular employees aged 40 and over. We furthermore conducted a survey of employees to gauge the incidence of family members who need nursing care and who may potentially need nursing care, and expect the feedback to be useful in formulating future policies.

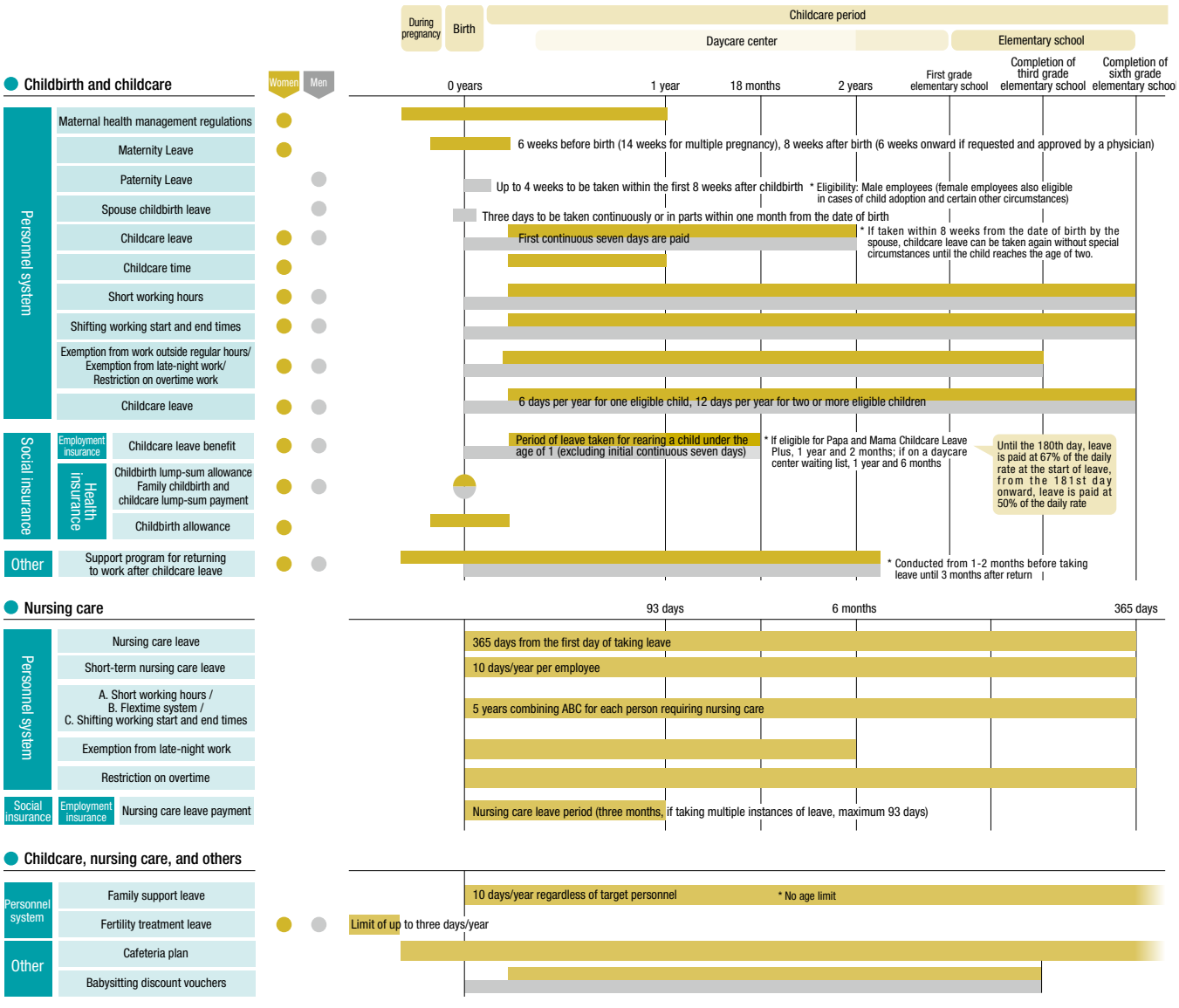
Accommodating Employees' Increasingly Diverse Life Plans

Additionally, 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. We continue to support our employees through a wide range of options supporting their goals in life, including a system for taking leave to undergo infertility treatment.

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



Initiatives Concerning Employment of People with Disabilities

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

Kubota Inclusion Works currently employs over 290 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 two employees ranking in the top three places in FY2025.

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.

Trend in Percentage of Employees 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, 2025, out of an employee figure of 27,061, the number of people with disabilities was 706.5). 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.

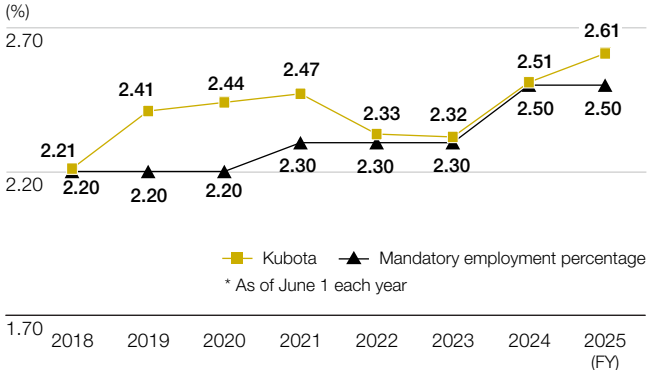
* Subsidiary companies where employers give special consideration to the hiring of people with disabilities in order to promote their employment and provide for their social stability.







Trend in Percentage of Employees with Disabilities (calculated under group application system including special-purpose subsidiaries)



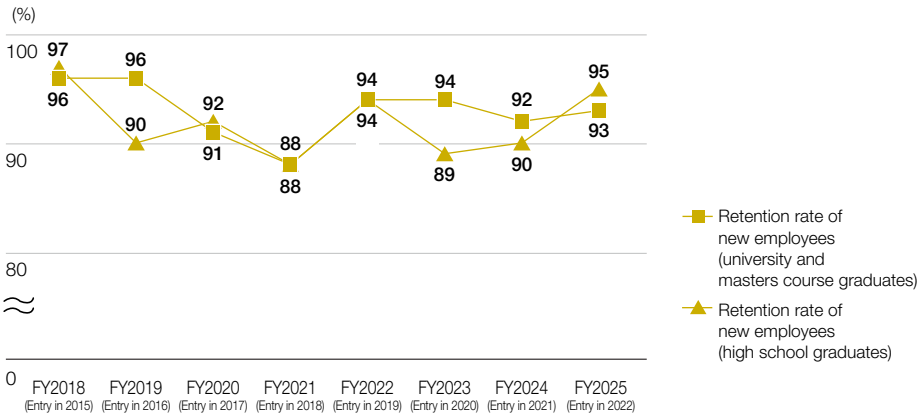
Initiatives to Improve the Retention Rate of New Employees

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



Employee Profile

Employee Numbers and Breakdown

	2022	2023	2024	2025
No. of employees (Kubota Corporation)	12,474	14,638	15,472	15,896
Male	11,159	13,064	13,760	14,105
Female	1,315	1,574	1,712	1,791
No. of employees (consolidated)	50,352	52,608	52,094	52,503
Male	43,427	45,117	45,143	44,685
Female	6,925	7,491	6,951	7,818

New Graduate and Mid-Career Recruits

Towards realizing our Long-Term Vision, 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		
			18-29	30-39	40 and over	Graduate recruits	Mid-career recruits	
						Regular and blue-collar employees	Management	Regular and blue-collar employees
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
2025	Male	634	479	133	22	401	5	228
	Female	125	100	18	7	89	1	35
	Total	759	579	151	29	490	6	263

Staff Turnover Rate

	2021	2022	2023	2024	2025
Turnover rate: All employees	1.55%	1.26%	1.65%	1.64%	1.66%
Male	1.47%	1.13%	1.54%	1.56%	1.62%
Female	2.23%	2.35%	2.50%	2.23%	1.93%
Management positions	1.17%	1.43%	1.62%	1.35%	1.36%
Staff positions	1.68%	1.20%	1.66%	1.72%	1.75%
Rate of voluntary retirement* (retirement for personal reasons): All employees	1.02%	0.88%	1.24%	1.29%	1.26%
Male	0.94%	0.73%	1.11%	1.21%	1.22%
Female	1.74%	2.05%	2.31%	1.87%	1.54%
Managerial	0.17%	0.37%	0.64%	0.78%	0.79%
Non-managerial	1.31%	1.04%	1.42%	1.44%	1.41%

* Rate of job separation (excluding statutory age retirement and pre-arranged early retirement)

Training Hours and Training Expenses per Employee

	2023	2024	2025
Total training hours (yearly)	522,377	663,684	651,293
Average training hours	37	45	42
Yearly training expenses	166,000 yen	171,000 yen	166,000 yen

Gender Salary Difference

Salary difference between male and female workers

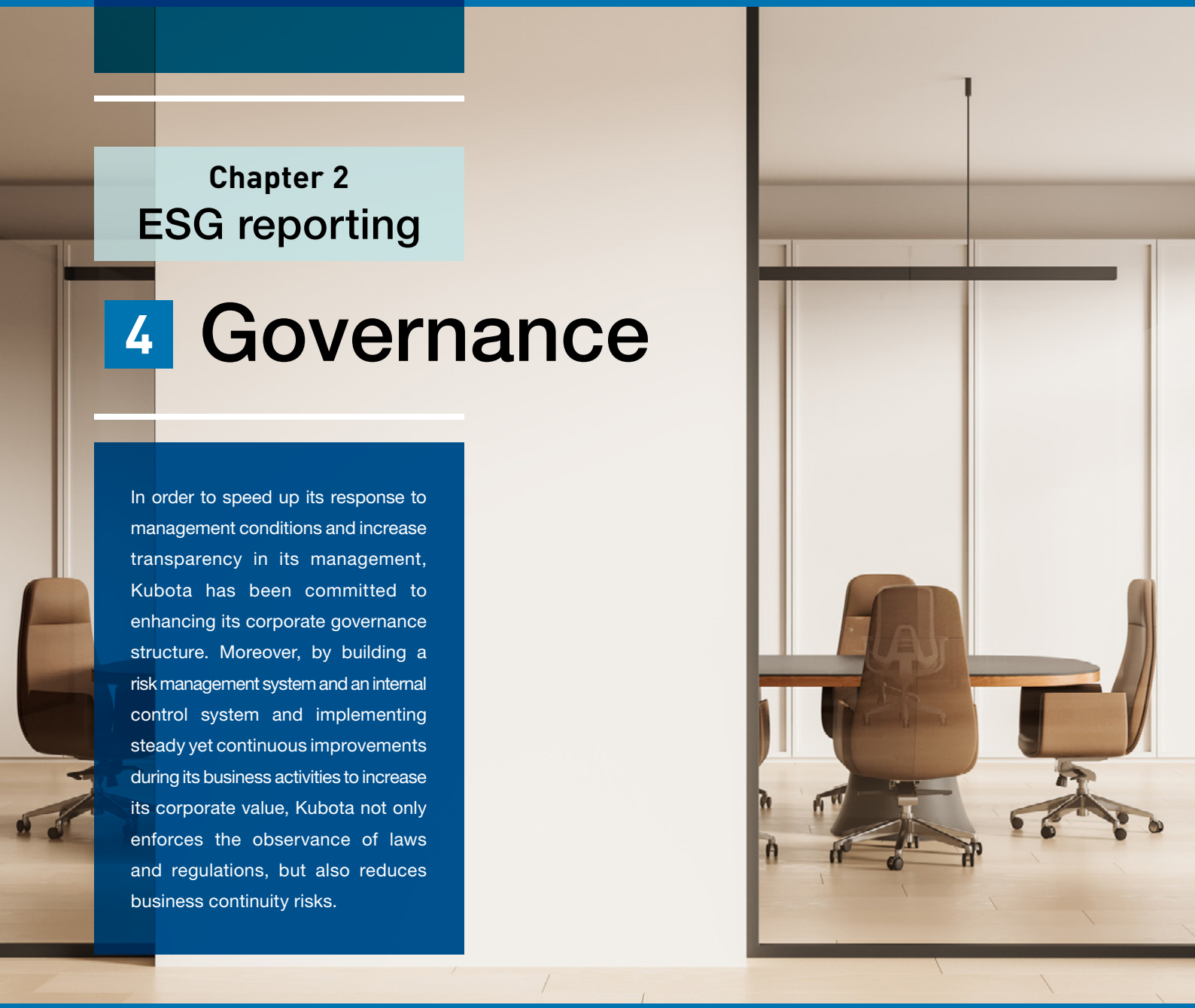
All workers	Full-time workers	Non-regular employees
81.1%	80.5%	79.5%

* 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 grade and salary system 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 in management positions and because of the difference in age distribution between men and women, as a higher proportion of women fall into younger age brackets (especially the 20s).

(2) For non-regular employees, 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.



Chapter 2
ESG reporting

4 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.

183 Corporate Governance
191 Risk Management
193 Compliance
202 Information Security
204 Corporate Principles

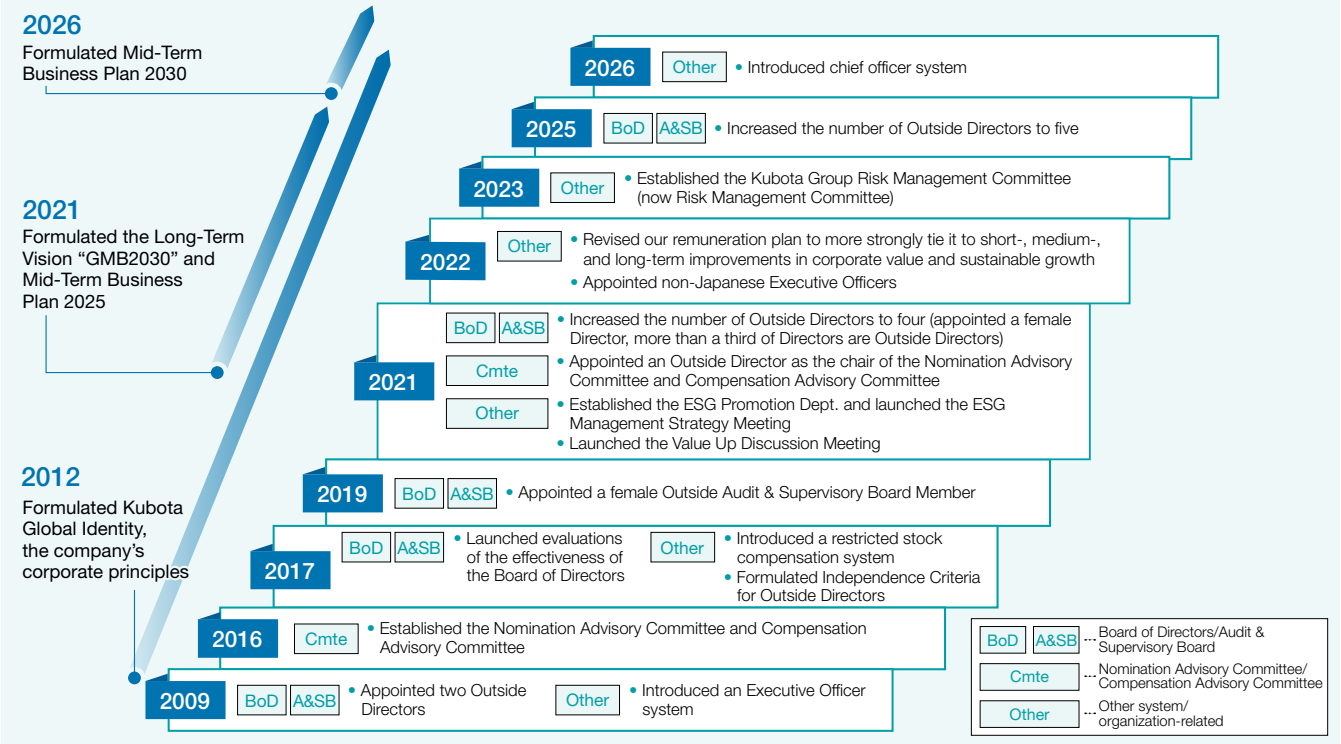
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Corporate Governance

Basic Policy of Corporate Governance

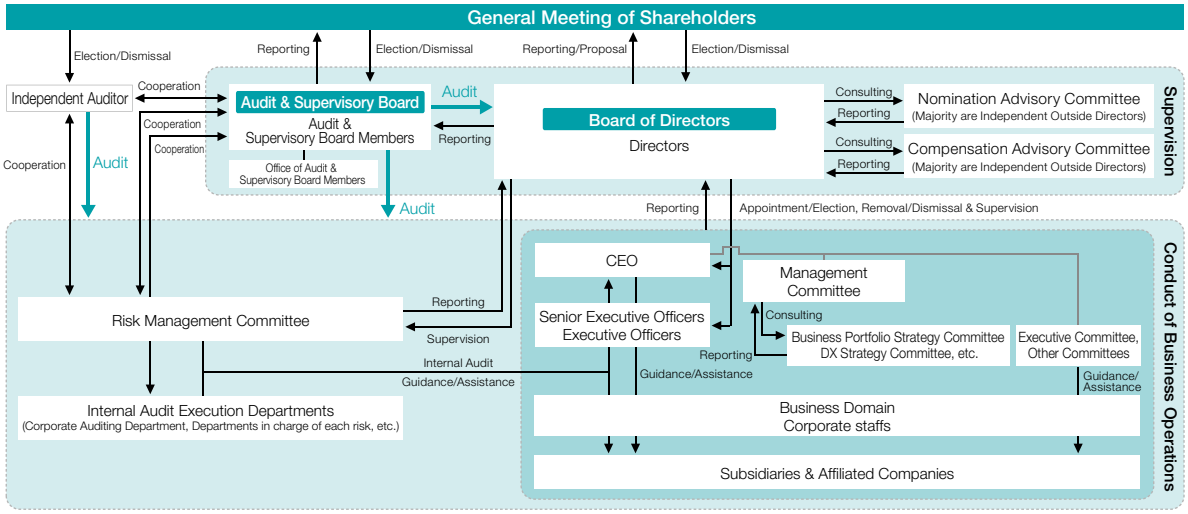
We work for sustainable corporate value increase in line with our declared long-term vision of becoming an "Essentials Innovator for supporting life, committed to a prosperous society and cycle of nature." As a path to realizing this vision, we have formulated Mid-Term Business Plan 2030, whose goals call for improvements in the soundness, efficiency, and transparency of our business management, and we are now engaged in corresponding efforts to further strengthen corporate governance.

How we strengthen corporate governance



Corporate Governance System

Corporate Governance Structures (as of January 1, 2026)



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 2025, it met 14 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 2025, 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, compliance, personnel affairs (for directors, members of the Audit & Supervisory Board, executive officers), and executive remuneration

Audit & Supervisory Board

The Audit & Supervisory Board 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 2025, 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 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. (10 sites in Japan, 8 subsidiaries/equity-method affiliates in Japan, and 32 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. Rather than focusing on decision-making, the purpose of these meetings is to exchange opinions and share information, with the content of the discussions communicated to the executive as necessary.

In fiscal 2025, six meetings took place, with the focus on key issues for the formulation of the mid-term business plan starting in fiscal 2026.

Specifically, in response to opinions expressed by outside directors, the directors and Audit & Supervisory Board members first worked to deepen their knowledge of the North American business model, which is important for business strategy, and then proceeded to discuss the medium- to long-term strategy for the Farm & Industrial Machinery business and the Water & Environment business and the overall research and development strategy. Progress was also made with discussions on the financial targets of the mid-term business plan, based on a recognition of the importance of securing a level of profitability exceeding the cost of capital and thereby enhancing the share price and meeting investor expectations. Discussion of this kind allows the executive to incorporate opinions expressed at the VUDM in the drafting of the mid-term business plan, which is then discussed again at the VUDM. It was through this repeated cycle, followed by discussion and resolution by the Board of Directors, that the mid-term business plan announced in February 2026 took shape.

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 19, 2026)

Position	Name	Nomination Advisory Committee		Compensation Advisory Committee	
		Member	Attendance in FY2025	Member	Attendance in FY2025
Outside Director	Yutaro Shintaku	● (Chair)	8/8 (100%)	● (Chair)	5/5 (100%)
Outside Director	Kumi Arakane	●	8/8 (100%)	●	5/5 (100%)
Outside Director	Koichi Kawana	●	8/8 (100%)	●	5/5 (100%)
Outside Director	Yuri Furusawa	●	7/7 (100%)	●	3/3 (100%)
Outside Director	Yoshinori Yamashita	●	7/7 (100%)	●	2/3 (67%)
Chairman and Representative Director	Yuichi Kitao	●	8/8 (100%)	●	—
President and Representative Director, CEO	Shingo Hanada	●	7/7 (100%)	●	5/5 (100%)
Outside Audit & Supervisory Board Member	Yuichi Yamada	▲ (As an observer)	—	▲ (As an observer)	5/5 (100%)

(Notes)
(1) Attendance covers attendance during fiscal 2025 at the respective meetings by the committee members and observers as of March 19, 2026.
(2) Attendance for Yuri Furusawa and Yoshinori Yamashita is based only on meetings of the Nomination Advisory Committee and the Compensation Advisory Committee held subsequent to their appointment as outside directors at the 135th Ordinary General Meeting of Shareholders of March 21, 2025.
(3) Attendance at meetings of the Nomination Advisory Committee for Shingo Hanada is based only on meetings held subsequent to his appointment to the committee on March 21, 2025.
(4) On March 19, 2026, Yuichi Kitao was appointed to the Compensation Advisory Committee, and Yuichi Yamada was appointed as an observer to the Nomination Advisory Committee.

Nomination Advisory Committee

The Nomination Advisory Committee met eight times during fiscal 2025 for the purpose of deliberating the nomination of candidates for director and the nomination of advisors. Its discussions also covered executive succession planning and the composition of the Board of Directors with reference to 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

February 2025	Deliberation on the Nomination Advisory Committee's fiscal 2025 agenda, the fiscal 2024 evaluation of the president, and the setting of the president's fiscal 2025 targets
May 2025	Deliberation on management structure reform and executive succession planning
June 2025	Deliberation on management structure reform
July 2025	Deliberation on executive succession planning and director candidates
September 2025	Deliberation on executive succession planning and director candidates
October 2025 (held twice)	Deliberation on executive succession planning and director candidates
December 2025	Deliberation on the board succession

Compensation Advisory Committee

The Compensation Advisory Committee met five times during fiscal 2025 for the purpose of discussing both the consistency of levels of compensation paid to the directors, executive officers, 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.

Activity Report of the Compensation Advisory Committee

February 2025 (held twice)	Deliberation on the annual bonuses for fiscal 2024, and setting targets for each of the evaluation indicators for fiscal 2025
October 2025	Deliberation on the selection of comparator businesses as a remuneration benchmark and the policy for determination of remuneration for the Directors and the remuneration amount for fiscal 2026
November 2025	Deliberation on the policy for determination of remuneration for the Directors and the remuneration amount for fiscal 2026
December 2025	Deliberation on the policy for determination of remuneration for the Directors and the remuneration amount for fiscal 2026

Management Committee

The Company has established the Management Committee to make decisions and deliberate on specific important issues. The Management Committee deliberates and makes decisions on investments and loans and other important management issues in accordance with the mid-term business plan and the realization of the long-term vision. 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 the Long-Term Vision.

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 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						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	Chairman and Representative Director		●	●		●					14/14 (100%)	–
Shingo Hanada	President and Representative Director CEO		●		●	●					14/14 (100%)	–
Nobushige Ichikawa	Director and Senior Managing Executive Officer CTO	●	●	●							–	–
Takanobu Azuma	Director and Senior Managing Executive Officer CMO	●	●		●						–	–
Wataru Kondo	Director and Senior Managing Executive Officer					●	●		●		–	–
Yutaro Shintaku	Outside Director		●			●		●		●	14/14 (100%)	–
Kumi Arakane	Outside Director	●		●		●				●	14/14 (100%)	–
Koichi Kawana	Outside Director		●		●		●			●	14/14 (100%)	–
Yuri Furusawa	Outside Director					●	●		●		14/14 (100%)	4/4 (100%)
Yoshinori Yamashita	Outside Director		●	●			●			●	10/11 (91%)	–
Masashi Tsunematsu	Audit & Supervisory Board Member (Full-time)				●			●	●		14/14 (100%)	16/16 (100%)
Kazushi Ito	Audit & Supervisory Board Member (Full-time)						●	●	●		14/14 (100%)	16/16 (100%)
Hideki Mori	Audit & Supervisory Board Member (Full-time)		●				●		●		–	–
Yuichi Yamada	Outside Audit & Supervisory Board Member						●	●	●		14/14 (100%)	16/16 (100%)
Keijiro Kimura	Outside Audit & Supervisory Board Member		●				●		●		14/14 (100%)	16/16 (100%)
Setsuko Ino	Outside Audit & Supervisory Board Member		●	●				●		●	11/11 (100%)	12/12 (100%)

(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 2025 (January 1 to December 31, 2025).
(3) On March 19, 2026, Nobushige Ichikawa, Takanobu Azuma, and Wataru Kondo were appointed as inside directors and Hideki Mori as a full-time Audit & Supervisory Board member.
(4) Attendance at Board of Directors meetings for Yuri Furusawa is based on meetings of the Board of Directors and the Audit & Supervisory Board up to her retirement as an outside member of the latter on March 21, 2025, and on Board of Directors meetings held after her appointment as an outside director on the same date.
(5) Attendance for Yoshinori Yamashita is only for meetings of the Board of Directors held after his appointment on March 21, 2025.
(6) Attendance for Setsuko Ino is only for meetings of the Board of Directors and Audit & Supervisory Board held after her appointment on March 21, 2025.

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 appointments as Audit & Supervisory Board members must have 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

Evaluating the President and CEO and Training a Successor

Evaluating the president and CEO

Evaluation of the president and CEO 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 and CEO 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, he is evaluated based on two-way dialogue.

The financial indicators used in the evaluation are consolidated net sales, consolidated operating margin, return on invested capital (ROIC) and total shareholder return (TSR). The non-financial indicators used include mid-term business plan initiatives and progress with the training of executive candidates.

The content and results of the Nomination Advisory Committee's deliberations on the evaluation of the president and CEO 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 and CEO require certain traits (capabilities, attributes, etc.). As well as clarifying these, we are working to identify successor candidates.

Training potential successor candidates

Executive officers are potential president and CEO successor candidates. For individuals in these positions, the Executive Officers' Meeting is held regularly to communicate the policies and resolutions of the Board of Directors, and to share the status of discussions at the VUDM.

Moreover, Kubota holds multiple annual executive forums related to ESG, human rights, health and safety, the environment, quality, public relations, legal affairs, DX, compliance, governance, 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 successor candidates

Evaluation of the executive officers that are potential president and CEO successor candidates is decided by the Board of Directors, after discussion by the Compensation Advisory Committee of the evaluation content, including the results of individual interviews with the president and CEO. The candidates are evaluated based on financial indicators as well as non-financial indicators such as mid-term business plan initiatives and progress with the training of successor candidates.

Evaluation of the Board of Directors' Effectiveness

To continuously enhance our corporate governance, after the end of each fiscal year, we carry out an evaluation of the Board of Directors' effectiveness. The evaluation method used in fiscal 2025 and the results of the evaluation are detailed below.

1. Evaluation method

① Discussions by the Board of Directors (December 2025)

To check and confirm the adequacy of the effectiveness evaluation process, once every three years in general, we employ a third party to carry out the evaluation. In fiscal 2025, after selection of the third party and discussion by the Board of Directors, the fiscal 2025 effectiveness evaluation was carried out based on the method and process outlined in items ② to ④ below.

② Questionnaire (December 2025 to January 2026)

All directors and Audit & Supervisory Board members (17 individuals) took part in a questionnaire overseen by a third party.

③ Interview by the third party (January 2026)

Based on the results of the above questionnaire, the third party held interviews with directors and Audit & Supervisory Board members to discuss the evaluation and its results and points such as outlines of action to improve effectiveness.

④ Discussions by the Board of Directors (March 2026)

At a meeting of the Board of Directors held in March 2026, the results of the evaluation were reported by the third party and the board discussed the issues that were identified and the direction of future initiatives.

2. Evaluation results

The results of the evaluation demonstrated that the Board of Directors has a common vision for corporate value increase, that initiatives unique to Kubota are functioning in a balanced way, and that the effectiveness of the Board of Directors is ensured by the following:

- Continuous discussion of the growth strategy through VUDMs
- Continuous high level of commitment by the independent outside directors
- A Board culture nurtured by a chairperson who encourages free and open discussion
- An Audit & Supervisory Board operating under a robust system

▷ Below are set out the results of the third-party evaluation of the fiscal 2025 initiatives launched in response to the main issues identified by the fiscal 2024 effectiveness evaluation.

Main issues in FY2024	Results of third-party evaluation for FY2025 initiatives
Enhancing discussions on management strategies from medium- and long-term perspectives	• The use of VUDMs and other channels has further enriched discussion • There is room for improvement in terms of strategic discussion to contribute to corporate value increase and setting of a plan-based agenda to that end
Reducing the difference in information held by inside and outside executive officers	• The use of VUDMs and other channels has further advanced the outside officers' understanding of our business • The executive team needs to further enhance its understanding of the perspectives and information that the outside officers expect to be provided with
Strengthening the functions of the Nomination Advisory Committee	• It was confirmed that measures to ensure the objectivity of the executive succession process had been put in place • There is room for improved effectiveness in the Nomination Advisory Committee's supervision of succession planning for future executive candidates

3. Issues and action plans

Please see the Kubota website for details of the main issues identified during the fiscal 2025 effectiveness evaluation and our action plans for fiscal 2026.

Evaluation of the Board of Directors' Effectiveness: Issues and Action Plans Click

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 2025, they visited the Tsukuba Plant, which manufactures tractors and engines. Observing investment projects that have been discussed by the Board of Directors and seeing the manufacturing frontline allows them to deepen their understanding of Kubota's businesses 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 regularly, 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, compliance, and governance. 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

Toward realizing our Long-Term Vision, we have formulated Mid-Term Business Plan 2030, which positions the five-year period from 2026 to 2030 as one for "Focus & Breakthrough," and we are currently engaged in achieving a qualitative improvement in management. In order to further strengthen the supervisory function of the Board of Directors as part of this drive, we have laid down the basic principles set out below relating to the remuneration, etc., of directors.

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, CEO 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, CEO, 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]** • For the president and representative director, CEO, and for inside directors holding concurrent positions as executive officers, annual bonus. 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. • 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, CEO as well as 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.

Notes: - 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 chairman and representative director consists of basic remuneration, annual bonuses, 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, CEO: 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

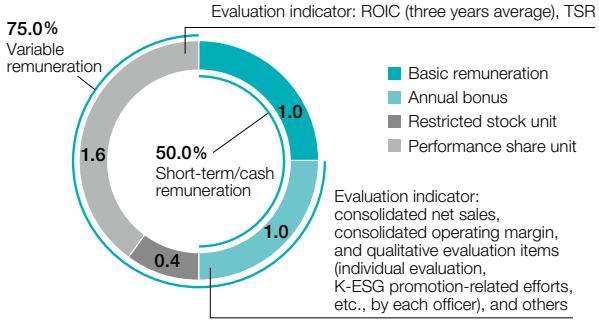
(4) Clawback/recovery of remuneration, etc. (malus and clawback clauses)

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, CEO



Total FY2025 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	324	237	146	32
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	3	137	—	—	—
Outside Directors	6	98	—	—	—
Outside Audit & Supervisory Board Members	4	55	—	—	—

Note: The above includes the remuneration of one outside Audit & Supervisory Board member and one outside director who retired at the conclusion of the 135th Ordinary General Meeting of Shareholders held on March 21, 2025.

FY2025 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	¥3,018.9 billion	96%
			Baseline	¥3,050 billion		
			Lower limit	¥2,600 billion		
	Consolidated operating profit margin		Upper limit	12.2%	8.8%	65%
			Baseline	10.2%		
			Lower limit	8.2%		
	K-ESG evaluation*2		—		—	109%
	Individual evaluation*3		—		—	—
Performance share unit	ROIC*4		Upper limit	7.22%	5.09%	79%
			Baseline	5.72%		
			Lower limit	4.22%		

*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 fiscal 2025, 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 109%.
*3 Determined by the Board of Directors following confirmation by the Compensation Advisory Committee of the evaluation results of individual performance against the 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 each individual's responsibility.
*4 The figure for ROIC (profit attributable to owners of the parent divided by invested capital) is based on the average for fiscal years 2023 to 2025.

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.

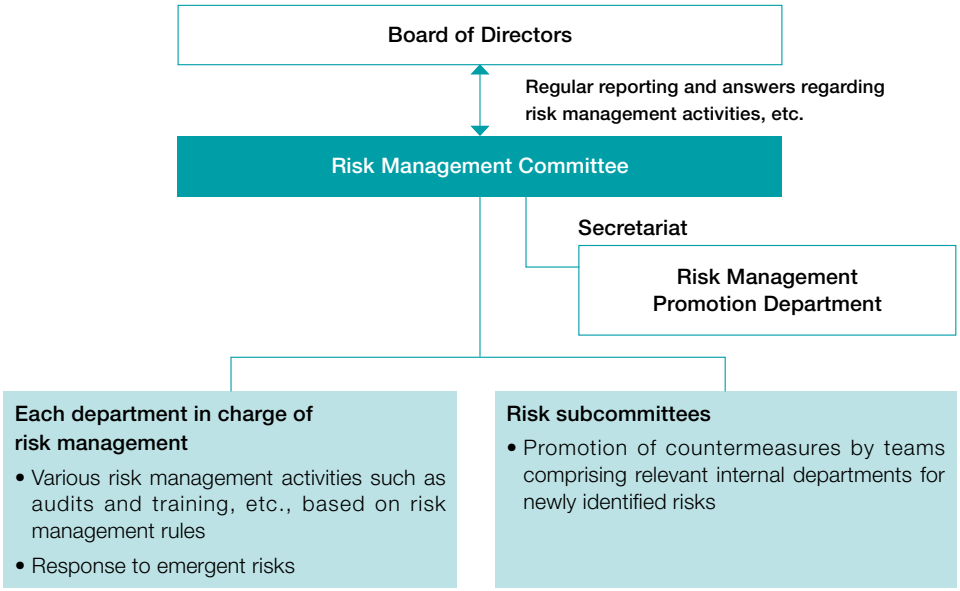
Risk Management System

We have established the Risk Management Committee, which is chaired by the CEO, to plan, propose, and communicate the Group's key policies and systems for risk management, and to confirm and approve the activity policy for each risk and the activity results.

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 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

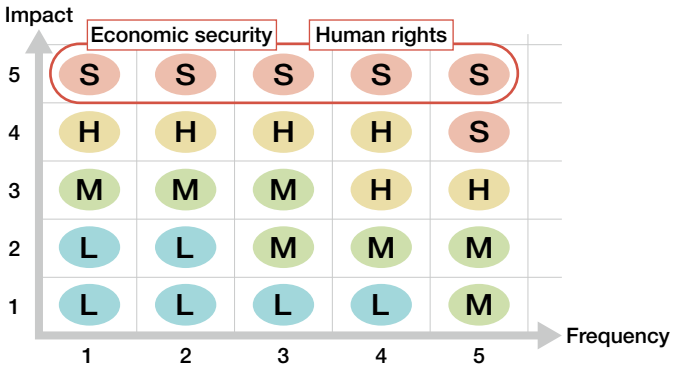
From November to December 2022, we conducted a risk questionnaire for executives at the level of division general manager or above (including all directors.)

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, we conducted a human rights questionnaire survey of the business partners of the Kubota head office and Group companies. As a further part of our engagement activities aimed at sharing human rights issues, we also made on-site visits to business partners. We plan to continue this initiative.

We also conducted an in-house survey of foreign skilled interns and specified skilled workers and held interviews to confirm details.

Compliance

Basic Policy of Compliance

In pursuit of the realization of K-ESG management across the Kubota Group, we share our Corporate Principles and Charter for Action & Code of Conduct as common values and adopt sincerity as our fundamental principle—ensuring compliance not only with laws and internal rules, but also with ethical and moral standards.

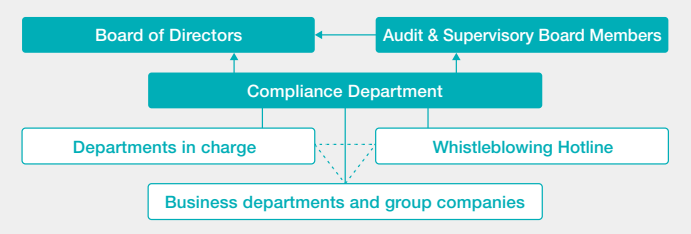
Compliance forms the foundation for the Company's sustainable growth. To promote compliance, we focus on three core pillars: fostering awareness, enhancing knowledge, and establishing robust systems. Through education and awareness initiatives, development of rules, and implementation of internal control systems, we are committed to ensuring thorough compliance throughout the Group.

Additionally, in order to earn the trust and confidence of stakeholders including our customers, and to contribute to society, it is important that we engage in "honest and sincere work" that is free from falsehood or deception. On this point, we are striving to foster a corporate culture rooted in the founder's guiding principle of "placing importance on sincerity and moral integrity." While compliance with laws and regulations is of course fundamental, we believe that "sincerity and moral integrity*" represent the foundation of corporate activities and remain highly relevant in today's compliance-driven business environment.

Basic approach
"No sales or profits are worth pursuing at the expense of the Kubota Group's corporate dignity and trust."

Ref: Words by the founder Gonshiro Kubota, broadcasted on the radio "The Way of Business" on March 8, 1937:
"First, one must encourage oneself and persevere with patience. Second, **one must hold sincerity and place importance on moral integrity**. Third, one must temper one's body and mind."

Framework of Activity



"Kubota Group Charter for Action & Code of Conduct"

All personnel working for the Kubota Group, including at overseas sites, undergo induction training to learn about the Kubota Group Charter for Action & Code of Conduct and the corporate principles embodied in 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)

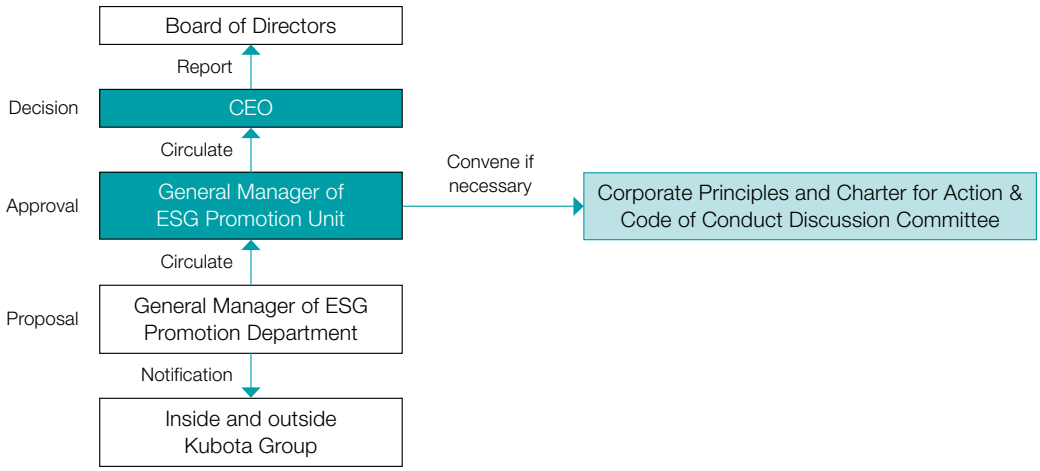
1. Winning Customer Satisfaction
   (1) Product Safety and Superior Quality
   (2) Responding to Customer Requests and Complaints
   (3) Appropriate Advertising and Labeling
2. Conducting Corporate Activities Based on Compliance with Legal Regulations and Ethical Principles
   (1) Legal Compliance and 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

Note: 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 2026, partial revisions were made to align with alterations in the Long-Term Vision and in K-ESG management and also to reflect changes in the current social environment.

Management Structure for the Charter for Action & Code of Conduct

The ESG Promotion Department is responsible for operations to ensure that the Charter for Action & Code of Conduct is understood and implemented Group-wide. When revisions are to be made, the department presents a proposal for approval by the General Manager of ESG Promotion Unit before the final decision is made by the CEO. 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 socioeconomic 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 2026, 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.
The Compliance Support Courier is also distributed to overseas Group companies.

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 2025, the combined result for employees who have affirmed, acted on, and understood the principles and management direction was 66%.

Compliance Awareness Survey

To date, the Kubota Group has conducted the K-ESG Awareness Survey with the objective of periodically assessing the status of K-ESG management initiatives. Strengthening risk management is currently identified as a materiality of K-ESG management. In response, and in order to place greater emphasis on identifying compliance-related risks, the Group has conducted a new survey focused on compliance (Compliance Awareness Survey) on a biennial basis since FY2024. The next survey is scheduled to be conducted in FY2026.

[Overview of FY2024 survey]

■ Objectives

(1) Identifying compliance-related risks and assessing the level of awareness and understanding across the organization

(2) Exploring measures through the collection and analysis of candid feedback from the employees in the frontline in the form of open-ended responses

■ Format

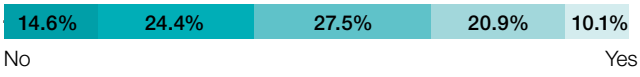
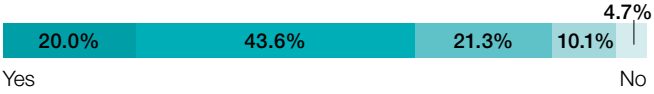
44 questions (43 multiple-choice questions and one open-ended question)

■ Scope

- Regular and senior employees of Kubota (Including employees stationed overseas)
- Regular employees of domestic affiliates
- Regular employees of consolidated agricultural machinery sales companies

Note: In FY2024, the survey targeted a total of 23,430 individuals, with 22,540 valid responses received (response rate of 96.2%).

[Example of FY2024 survey results]

Questions	←Positive responses →Negative responses
Do you think there is a culture in your workplace that makes it difficult to raise concerns when compliance issues, such as misconduct or wrongdoing, arise?	
Do you believe that in the course of performing one's duties, it may be unavoidable to engage in minor non-compliant behavior if there are no other available options?	
Do you think you would face unfair treatment if you seek advice on, or report, misconduct or wrongdoing in the workplace?	
Do you think your workplace has an open environment in which employees can speak up and express their opinions freely?	

Note: 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.

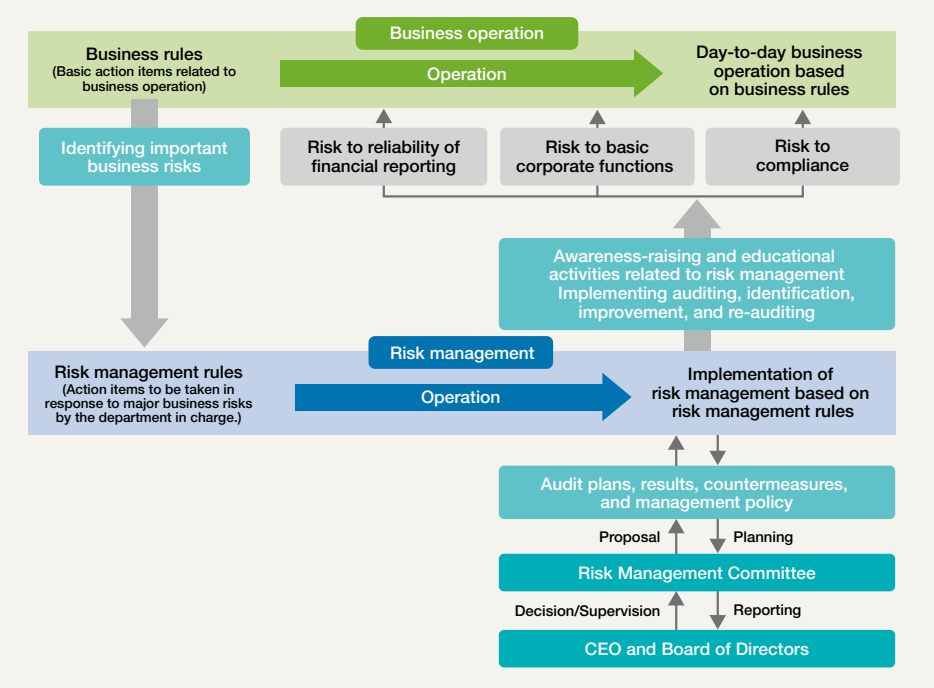
Internal Control System Overview

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 basic 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 CEO 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 FY2025*1
Internal control over reliability of financial reporting	Financial reporting	• Risk to reliability of financial reporting	11,399
Internal control over the basic functions of the Company	Fair trade	• Bid rigging and price fixing • Unfair trading concerning trading with distributors, etc. • Non-compliance with the SME Transactions Act	136
	Environmental conservation	• Non-compliance with laws and regulations • Environmental accidents • Past environmental debt	13,495
	Health and safety	• Occurrence of serious accidents • Occupational illnesses • Investigations and litigations	1,407
	Quality assurance	• Occurrence of quality problems detrimental to the Kubota brand, etc.	579
	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	4,135
	Information security	• Computer virus infection • Information leakage • Information system failure	1,537
	Intellectual property	• Infringement of other companies' intellectual property	808
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	540
	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	80
	Compliance with the Construction Business Act	• Non-compliance with the Construction Business Act	462
	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	154
	Prevention of illegal payments	• Trading with antisocial elements • Non-compliance with the Political Funds Control Act • Improper payments to foreign public officials	16
	Classified information management	• The leakage of classified information including a development plan for a new product and sales plan	442
	Protection of personal information	• Leakage and loss of personal information related to customers, employees, etc. • Improper use of personal information	178
	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	462
	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.	400

*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

Kubota Hotline for Kubota and Domestic Group Companies

As a framework to supplement risk management, the Kubota Group has established the Kubota Hotline 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.
- Following parties are responsible for the contact points; Risk Management Promotion Department, Human Rights Advancement Department and external lawyers. They work in coordination with each other to respond to the reports.

[Those who can use the Kubota Hotline]

- All the employees at Kubota and its domestic Group companies (including retirees within one year)
- Anonymous reporting and consultations are also accepted

[Reporting method]

Kubota Hotline accepts consultations via a dedicated online form, telephone or email. The dedicated online form is available 24/7.

[Protection of whistleblower]

- The internal regulations of Kubota and its domestic Group companies clearly state that retaliation against whistleblowers and other users are strictly prohibited.
- Personnel responsible for handling reports and consultations at each location are required to sign a written oath regarding the confidentiality of information and relevant trainings are provided.

[Raising awareness of Kubota Hotline]

- Kubota Hotline has been disseminated through multiple channels including the Kubota group intranet.
- To help alleviate concerns arising from a lack of understanding of the system, we provide information on how to protect whistleblowers, how anonymity is handled, and the workflow of the Kubota Hotline.

[Reporting to management]

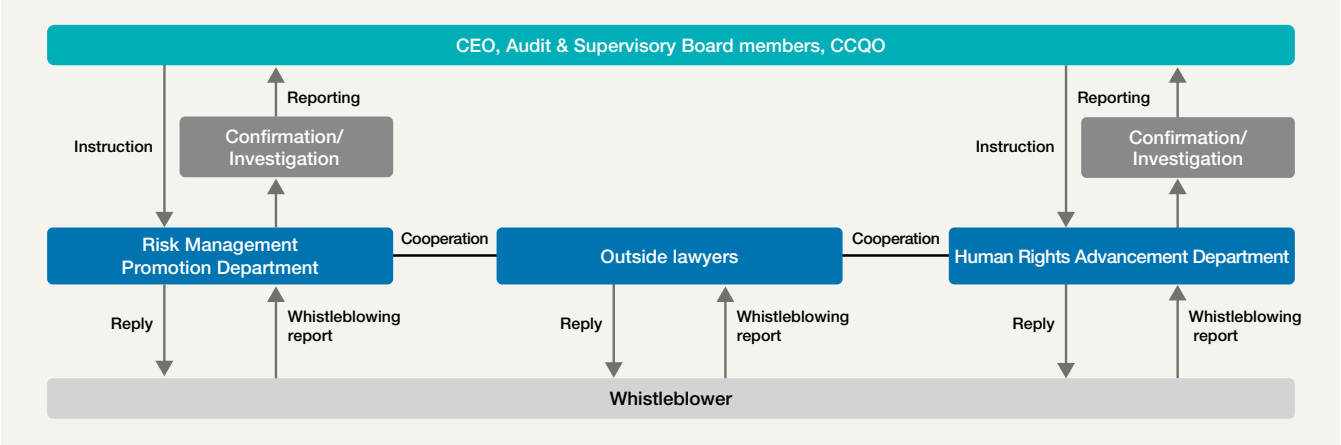
Information on the number and contents of reports are regularly reported to management to provide an overview of risk and measure to prevent recurrence.

Number of reports made to the Kubota Hotline (in Japan)

FY2022	FY2023	FY2024	FY2025
100	118	144	150

(of which, 80% were related to labor and personnel issues)

Flowchart of Kubota Hotline



Kubota Group Global Hotline for Overseas Group Companies

Kubota Group Global Hotline has been implemented at some overseas group companies since 2023. The Global Hotline is for the reporting of risk* that has 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 dedicated 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 fraudulent acts by executive officers

Prevention of Illegal Payments



Photograph shown in CEO's Message

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 CEO'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.'

To strengthen anti-corruption initiatives, in 2025 we revised the Kubota Group Policy on Anti-Bribery and the Kubota Group Anti-Bribery Guidelines. The aim of this is to ensure Group-wide rollout of activities to raise awareness of bribery prevention and thereby strengthen the compliance structure globally. Additionally, we provide training in bribery prevention on a continuous basis in Japan and overseas to promote a concrete grasp of local law in each country and its practical application, including relevant case studies. Through these activities, we are working to reduce the risk of corrupt practices and ensure strict compliance with corporate ethics. We are also reinforcing anti-bribery initiatives aimed at business partners, with priority given to regions with high risk of corruption.

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 Compliance and Risk Management, QA 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 carries out continuous monitoring. In FY2025, document surveys were conducted at 6 companies in Japan and 31 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.

Kubota Group Policy on Anti-Bribery (Excerpt)

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.

CEO
Kubota Corporation

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 FY2024 by region	37.4	37.5	7.1	19.1	1.5	102.6

Note: 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, overseas competition laws, or the SME Transactions Act.

System

The Company's internal rules relating to Japan's Anti-Monopoly Act, competition laws and the SME Transactions Act are the Rules on Competition Laws Compliance and the Rules on SME Transactions Act Compliance. Under these rules, we have established the Competition Laws Compliance Committee and the SME Transactions Act 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. In 2025, we held an Anti-Monopoly Act workshop led by an external lawyer for executives of the Farm and Industrial Machinery Consolidated Division, while all operational divisions and Group companies in Japan were provided with e-learning-based training in anti-monopoly law. Additionally, we have held annual basic training workshops on subcontracting law for divisions involved in wide-ranging subcontracting operations and also provided training in the SME Transactions Act that came into effect in January 2026.

Audits

Kubota continuously conducts audits under both the Anti-Monopoly Act and Subcontract Act (from January 2026 the SME Transactions 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 SME Transactions Act Compliance, should it be judged that a Kubota Group officer or employee has violated, or is suspected 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.

Information Security

Information Security Policy and Approach

The Kubota Group recognizes as an important management issue the need to protect not only internal information assets, but also those disclosed to us by customers and other stakeholders, from threats posed by intentional or negligent acts, disasters, system failure, or other factors. Accordingly, we have formulated a set of information security rules and a range of security guidelines shared across the Group. By applying these appropriately and conducting audits, we work to protect and continuously strengthen information security.

We have also put in place a structure for regular reporting of the status of these initiatives to the Kubota Group Risk Management Committee and executive management. In this way, Kubota undertakes Group-wide management of information security under executive supervision.

Information Security System

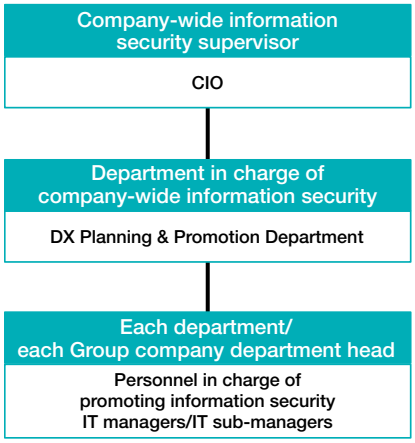
Depending on the type of information, Kubota appoints main divisions to conduct ongoing activities such as revising rules, auditing, and awareness-raising at their respective locations. These activities are also conducted at overseas bases. When necessary, these divisions cooperate with each other in risk management.



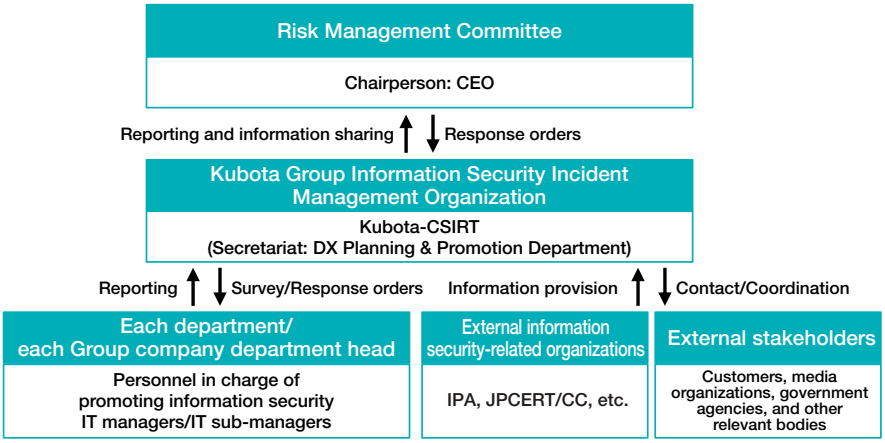
Our information security structure consists of a Group-wide framework under the overall supervision of the director responsible for the department in charge of company-wide information security. This department is staffed by highly expert personnel with specialist Japanese or overseas qualifications, such as Registered Information Security Specialists or Certified Information Systems Security Professionals (CISSP). We also appoint to each department and Group company an IT Manager responsible for promoting information security. In this way, the Group unites in pursuing security measures based on the policies formulated by the above-mentioned department in charge.

We have also established Kubota-CSIRT, an organization for managing information security-related incidents/accidents across the Group, which facilitates measures to minimize any resulting damage. In the event of a major information security incident occurring, it works with the Risk Management Committee to swiftly report and share information. This structure enables an appropriate response based on the judgment of executive management including the CEO.

Information Security Structure



Response Structure in the Event of a Major Security Incident



Information Security Initiatives

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 generative 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. We therefore mandate periodic information security education for employees who handle information, and carry out an annual review of the training content in light of trends and risks in the wider world. Last year, we worked to enhance employees' understanding and ability to take action in areas such as dealing with suspicious emails, using generative AI, and taking the necessary precautions when outsourcing operations involving the handling of personal data.

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 coverage 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 Services

To further enhance the safety of products and services 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, in light of legislation aimed at strengthening cybersecurity measures in products and services, we are also working to revise 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 6, 2026).

Kubota Group Companies with ISMS Certified Organizations

- Kubota Corporation
- Kansouken Inc.
- Meister Corporation

[PrivacyMark Certification]

The following companies have been licensed by the JIPDEC to use the PrivacyMark (as of January 6, 2026).

Kubota Group Companies with PrivacyMark Certification

- Kansouken Inc.
- Kubota Credit Co., Ltd.

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.

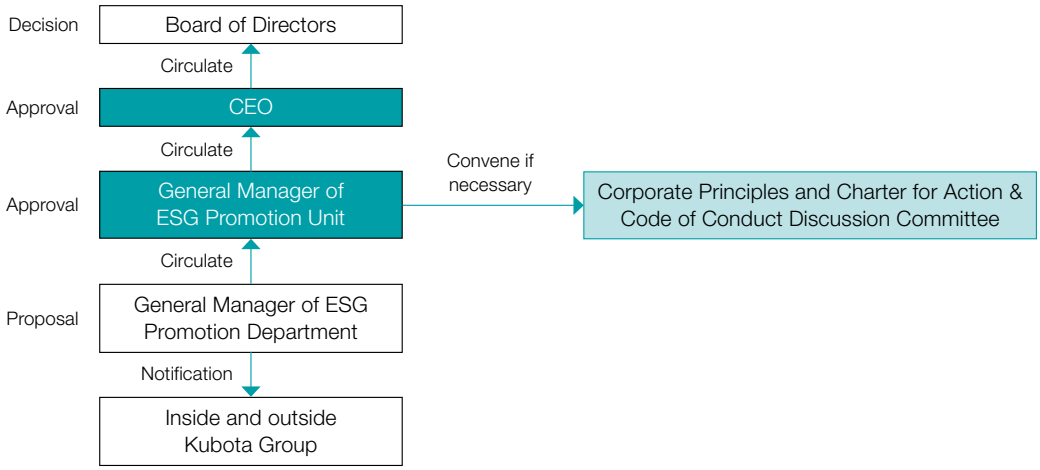
The Company's founding spirit and shared values have been organized as the corporate principles, "Kubota Global Identity"*, which we are promoting among employees with the aim of increasing recognition and understanding, as well as practical application. By conducting corporate activities that enable 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 p.5.

Management Structure of the Corporate Principles

The ESG Promotion Department is responsible for operations to ensure that the Kubota Global Identity, which embodies our corporate principles, is understood and implemented Group-wide. When revisions are necessary, the department presents a proposal for approval by the General Manager of ESG Promotion Unit and the CEO before its adoption by resolution of 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. A report is made to the Board every year on the level of awareness of the corporate principles and the measures taken to raise 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 rank-based training with workshops to facilitate a deeper understanding of the corporate principles.

Meanwhile, given the importance of having the executive team address employees directly, in 2025, the then president issued a video in which he presented his own understanding of the Kubota Global Identity, which embodies our corporate principles, while the director in charge of human resources and general affairs at the time participated in online training to address a message to employees.



The then president speaks about our corporate principles and his own experience of them



The director in charge of human resources and general affairs at the time addresses employees during online training

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.

Note: Since FY2021, Kubota Corporation has also conducted an Engagement Survey in parallel with the survey. (See p.159 for details.)

Number of Respondents over the Past 10 Years

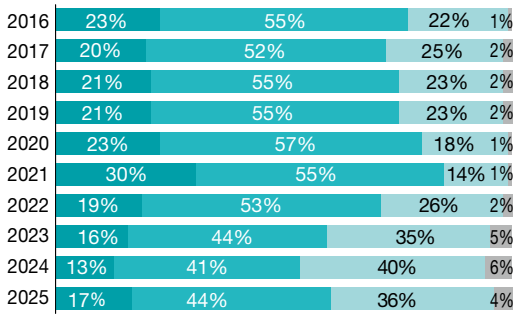
Fiscal year	Number of respondents*
FY2016	8,427
FY2017	11,659
FY2018	12,840
FY2019	13,007
FY2020	15,275
FY2021	15,644
FY2022	16,319
FY2023	15,358
FY2024	19,378
FY2025	16,408

* FY2016 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 question and answer design was changed to enable an accurate assesment of the degree of penetration of the corporate principles.

Question

2016-2021
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

2022-2025
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, 2025 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	12
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	121-123
2-6	Activities, value chain and other business relationships	· Corporate Data · The Kubota Group in Numbers	12 7
2-7	Employees	· Corporate Data · HR Information and HR Data	12 174
2-8	Workers who are not employees	· HR Information and HR Data	174
2-9	Governance structure and composition	Corporate Governance System, Composition of the Board of Directors and the Audit & Supervisory Board	183-186
2-10	Nomination and selection of the highest governance body	Directors and Audit & Supervisory Board Members	187
2-11	Chair of the highest governance body	Management (Yuichi Kitao)	14
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance System, Composition of the Board of Directors and the Audit & Supervisory Board	183-186
2-13	Delegation of responsibility for managing impacts	Corporate Governance System Risk Management System	183 191
2-14	Role of the highest governance body in sustainability reporting	Editorial Note Corporate Governance System	2 183
2-15	Conflicts of interest	Management, 10 Largest Shareholders	14-17,12
2-16	Communication of critical concerns	Health and Safety Promotion System Risk Management System Internal Control System Whistleblowing System	170 191 196 198
2-17	Collective knowledge of the highest governance body	Composition of the Board of Directors and the Audit & Supervisory Board Executive Training	186 188
2-18	Evaluation of the performance of the highest governance body	Evaluation of the Board of Directors' Effectiveness	188
2-19	Remuneration policies	Overview of Remuneration Plan for Directors, Audit & Supervisory Board Members, and Executive Officers	189-190
2-20	Process to determine remuneration	Overview of Remuneration Plan for Directors, Audit & Supervisory Board Members, and Executive Officers	189-190
2-21	Annual total compensation ratio	—	—
2-22	Statement on sustainable development strategy	· Top Message	18-23
2-23	Policy commitments	Kubota Group Human Rights Policy "Kubota Group Charter for Action & Code of Conduct"	125 193-194
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"	126-127 129 143 193-194
2-25	Processes to remediate negative impacts	Grievance Mechanism Supplier Hotline Kubota Hotline for Kubota and Domestic Group Companies, Kubota Group Global Hotline for Overseas Group Companies	128 144 198
2-26	Mechanisms for seeking advice and raising concerns	Grievance Mechanism Supplier Hotline Kubota Hotline for Kubota and Domestic Group Companies, Kubota Group Global Hotline for Overseas Group Companies	128 144 198
2-27	Compliance with laws and regulations	· Environmental Management -Compliance with Environmental Laws and Regulations · Compliance	 99 193
2-28	Membership associations	External Economic Activities (Major Participating Groups) · Environmental Communication -Cooperation with Environment-related Industry Groups and Governments	13 105 106
2-29	Approach to stakeholder engagement	Environmental Communication Activities Activities and Engagement Related to Human Rights Constructive Dialogue with Shareholders Emergency and Humanitarian Support, Resolving Issues (Food, Water, and the Environment), Dialogue and Exchange with Local Communities, Educating the Next Generation (Learning Together) Social Contribution Activities through Corporate Sporting Events Dialogue between Labor and Management · (3) Creating an Environment That Encourages Employees to Take on New Challenges · (4) Building Mechanisms That Embrace Challenge · (5) Stronger Organization · (6) Individual Growth	105 129 145 148-151 152 175 158 160 162 163

GRI Standard No.	Disclosure	Applicable topics	Page No.
2-30	Collective bargaining agreements	Dialogue between Labor and Management	175
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	· Value Creation Process	26
3-2	List of material topics	· Value Creation Process · Environmental Management Basic Policy -Environmental Management Approach (Materiality in Environmental Management)	26 40
3-3	Management of material topics	Environmental Charter / Action Guidelines Environmental Vision Medium- and Long-Term Environmental Conservation Targets and Results Organization Structure Corporate Governance System Risk Management System	39 43 46-48 49 183 191

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	8-9 147
201-2	Financial implications and other risks and opportunities due to climate change	Disclosure in Accordance with the TCFD Recommendations	56-67
201-3	Defined benefit plan obligations and other retirement plans	HR System	174
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	Disclosure in Accordance with the TCFD Recommendations · Conserving Biodiversity -Evaluating our Relationship with Biodiversity · Social Contribution Activities -Basic Approach -Emergency and Humanitarian Support -Resolving Issues (Food, Water, and the Environment) -Dialogue and Exchange with Local Communities -Educating the Next Generation (Learning Together) -Social Contribution Activities through Corporate Sporting Events	56 84 147 148 148 149 150 152
203-2	Significant indirect economic impacts	· Respecting Human Rights · Relationships with Customers -R&D -Production / Quality Control · Relationships with Business Partners	125 132 135 143-144
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	199
205-2	Communication and training about anti-corruption policies and procedures	· Compliance -“Kubota Group Charter for Action & Code of Conduct” > Education and Awareness Raising -“Kubota Group Charter for Action & Code of Conduct” > Compliance Awareness Survey -Prevention of Illegal Payments	 194 195 199
205-3	Confirmed incidents of corruption and actions taken	Whistleblowing System	198
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	—	—
GRI 207: Tax 2019			
207-1	Approach to tax	Tax Management	200
207-2	Tax governance, control, and risk management	· Compliance -Basic Policy of Compliance -Internal Control System	 193 196
207-3	Stakeholder engagement and management of concerns related to tax	· Relationships with Business Partners -Supplier Hotline · Compliance -Whistleblowing System -Tax Management	 144 198 200
207-4	Country-by-country reporting	Tax Payment Data	200

GRI Standard No.	Disclosure	Applicable topics	Page No.
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	73-74 74-75 76 98 98 109 110
301-2	Recycled input materials used		
301-3	Reclaimed products and their packaging materials		
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)	53 109 117
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)	110 117
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	47-48 53 109 110
302-4	Reduction of energy consumption	· Mitigating and Adapting to Climate Change -Mitigation of Climate Change (Measures to Reduce CO_2 Emissions)	51-52
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)	77-78 78 90
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)	78 79 89-93
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)	77-78 89-93 109 110 119
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-related)	78 79 89-93 109 110 119
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)	77-78 89-93 109 110 119

GRI Standard No.	Disclosure	Applicable topics	Page No.
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 -Disclosure in Accordance with the TNFD Recommendations (Scenario Analysis-Evaluate: Results of risk assessment (3) — assessment of ecosystem around production sites) -Conservation of Biodiversity around Business Sites · Social Contribution Activities -Resolving Issues (Food, Water, and the Environment)	91 94 148
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		
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)	 46 51 54 109 110 117
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])	 47-48 51
305-5	Reduction of GHG emissions	· Mitigating and Adapting to Climate Change -Mitigation of Climate Change (Measures to Reduce CO_2 Emissions)	 51
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)	 82 114 120
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)	 80 81 82 109 113 114 120
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 (Valuable resources/Waste) -Calculation Standards of Environmental Performance Indicators (Waste-related)	 74 74-75 109 111 119
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	Environmental Management · Green Procurement · Supplier Management	 102 102
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	180 181
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—	—
401-3	Parental leave	Systems Supporting Balancing Work with Family Needs	176-177
GRI 402: Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	Initiatives Concerning Labor-management Relations	175
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	170 173
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Internal Control System Operation Activities	169-173 197
403-3	Occupational health services	Occupational Health and Safety	169-173
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety Promotion System	170
403-5	Worker training on occupational health and safety	Safety Training and Awareness	172
403-6	Promotion of worker health	(7) Promotion of Health & Productivity Management	166-168

GRI Standard No.	Disclosure	Applicable topics	Page No.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	· Sustainable Procurement -Kubota Group Supplier Code of Conduct -Supplier Hotline Occupational Health and Safety	 143 144 169-173
403-8	Workers covered by an occupational health and safety management system	Health and Safety Promotion System Occupational Health and Safety Management System Certification	170 173
403-9	Work-related injuries	Lost Time Incident Rate/Injury Severity Rate/Work-related Fatalities	173
403-10	Work-related ill health	· (7) Promotion of Health & Productivity Management -Health & Productivity Management Performance Indicator (KPI) -Kubota Group's Health Status	 167 167
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	· Training Hours and Training Expenses per Employee	181
404-2	Programs for upgrading employee skills and transition assistance programs	(4) Building Mechanisms That Embrace Challenge (5) Stronger Organization (6) Individual Growth	160-161 162 163-165
404-3	Percentage of employees receiving regular performance and career development reviews	Overview of Personnel Training, Performance-based Promotion and Compensation	174
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Management Employee Profile	14-17 180
405-2	Ratio of basic salary and remuneration of women to men	Employee Profile	181
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Grievance Mechanism Whistleblowing System	128 198
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 Initiatives Concerning Labor-management Relations	125 130 175
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	Kubota Group Human Rights Policy Activities and Engagement Related to Human Rights Respecting Human Rights throughout the Supply Chain Initiatives Concerning Labor-management Relations "Kubota Group Charter for Action & Code of Conduct"	125 129 130 175 193-194
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 Activities and Engagement Related to Human Rights Respecting Human Rights throughout the Supply Chain Initiatives Concerning Labor-management Relations "Kubota Group Charter for Action & Code of Conduct"	125 129 130 175 193-194
GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	—	—
GRI 411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	—	—
GRI412: Human Rights Assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	Kubota Group Human Rights Policy	125
412-2	Employee training on human rights policies or procedures	Human Rights Education	127
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—	—
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Social Contribution Activities	147-152
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	102 143-144
414-2	Negative social impacts in the supply chain and actions taken	Human Rights Due Diligence Self-Assessments of CSR Procurement	126-127 143
GRI 415: Public Policy 2016			
415-1	Political contributions	—	—
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	 135 136-138
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Assurance	136-138
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	110
	(2) Percentage grid electricity		47 (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	173
	(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	130
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	12

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 section	Page No.
Organizational governance		Founder's Spirit	4
		Corporate Principles	5
		Mid-Term Business Plan 2030	24-25
		Value Creation Process	26-27
		· Corporate Governance -Corporate Governance System · Risk Management · Compliance	 183 191 193, 194, 196
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 -Human Rights Due Diligence -Human Rights Education -Grievance Mechanism -Activities and Engagement Related to Human Rights -Respecting Human Rights throughout the Supply Chain	 125 126-127 127 128 129 130
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	1, 2: HR Information and HR Data 3: Human Rights Due Diligence Grievance Mechanism Activities and Engagement Related to Human Rights HR Information and HR Data Whistleblowing System 4: Occupational Health and Safety (7) Promotion of Health & Productivity Management 5: Ensuring Skills to Maintain Customer Satisfaction (2) Promoting Human Resource Mobility and Expanding Growth Opportunities (6) Individual Growth	174 126-127 128 129 174 198 169-170 166 139 156-157 163-165
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 Vision · Medium- and Long-Term Environmental Conservation Targets and Results · Environmental Management Promotion System · Mitigating and Adapting to Climate Change · Working towards a Recycling-based Society · Conserving Water Resources · Controlling Chemical Substances · Conserving Biodiversity · Resolving Issues (Food, Water, and the Environment) · Expanding Environment-conscious Products and Services · Environmental Management · Environmental Communication · Environmental Data	39-42 43-45 46-48 49-50 51-72 73-76 77-79 80-82 83-95 148 96-98 99-104 105-108 109-120
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	· Sustainable Procurement	143-144
		· Basic Policy of Compliance · "Kubota Group Charter for Action & Code of Conduct" · Internal Control System · Whistleblowing System · Prevention of Illegal Payments · Compliance with the Anti-Monopoly Act/Competition Laws	193 193-194 196-197 198 199 201
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	· Adaptation to Climate Change · Kubota's Initiatives · Environmental Considerations in the Product Lifecycle · Internal Certification System for Eco-Products · Managing Used Products · Recycled Products	55 68-72 96 97 98 98
		· R&D · Production / Quality Control · Quality Assurance · Customer Service · Relationships with Business Partners	132 135 136 141 143-144
		· Basic Policy of Compliance · "Kubota Group Charter for Action & Code of Conduct" · Internal Control System · Whistleblowing System · Prevention of Illegal Payments · Personal Information Protection · Compliance with the Anti-Monopoly Act/Competition Laws · Information Security	193 193-194 196 198 199 200 201 202-203
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
		· Conserving Water Resources · Controlling Chemical Substances · Environmental Management	77-79 80-82 99-104
		· R&D · Constructive Dialogue with Shareholders · Social Contribution Activities	132 145 147
		· Tax Management	200

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