

Chapter

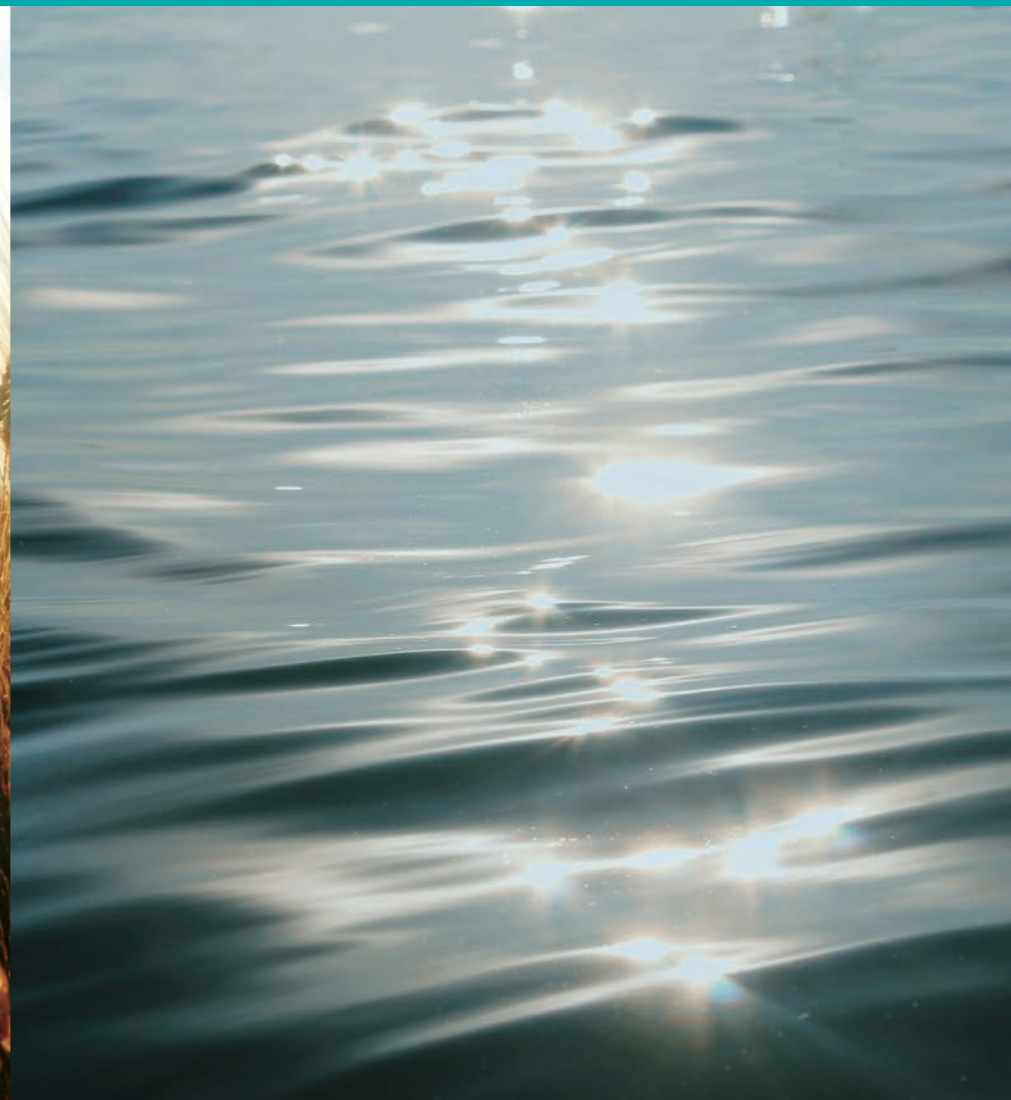
01 Value Creation Journey

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Overview

Ever since its founding, Kubota Group has been tackling global issues related to food, water, and the environment. Here we look at the source and the path of the value the Kubota Group has created, by looking at its corporate principles—inheriting its founder's spirit—as well as its history of solving social issues and its growth.



Founder's Spirit and Corporate Principles

In 1890, Gonshiro Kubota, the founder of the Kubota Group, started his metal casting business at the age of 19.

With his belief that, "We can achieve anything if we try," and that, "We should not fear making mistakes," Gonshiro was the first in Japan to mass produce iron water pipes or to mechanize agriculture; throughout its history it has contributed to the development of society. The spirit of the founder still lives and breathes in the 50,000 employees of the Kubota Group through the Spirits, Brand Statement, and Mission.



Spirit of the Founder

"For the prosperity of society, we need to put all of our efforts into creation."
 "Our products should not only be technically excellent, but also useful for the good of society."

Founder: Gonshiro Kubota

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

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

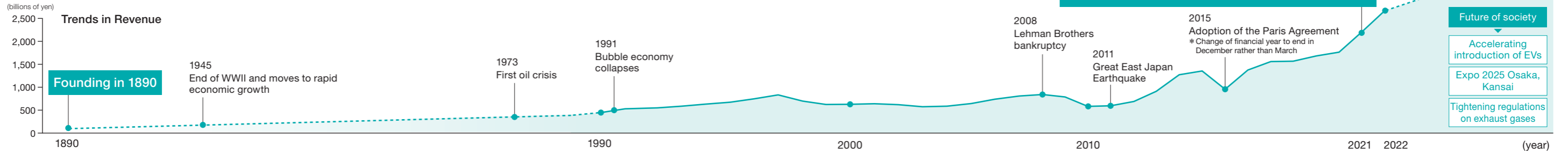
Food, water, and the environment are not separate themes, but linked closely to each other.



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 work to continue supporting the richer lives of humans while protecting the environment of this beautiful earth as an “Essentials Innovator for Supporting Life” that is committed to a prosperous society and cycle of nature.



Food

GMB 2030

Water

Environment

An “Essentials Innovator for Supporting Life,”
Committed to a Prosperous Society and Cycle of Nature

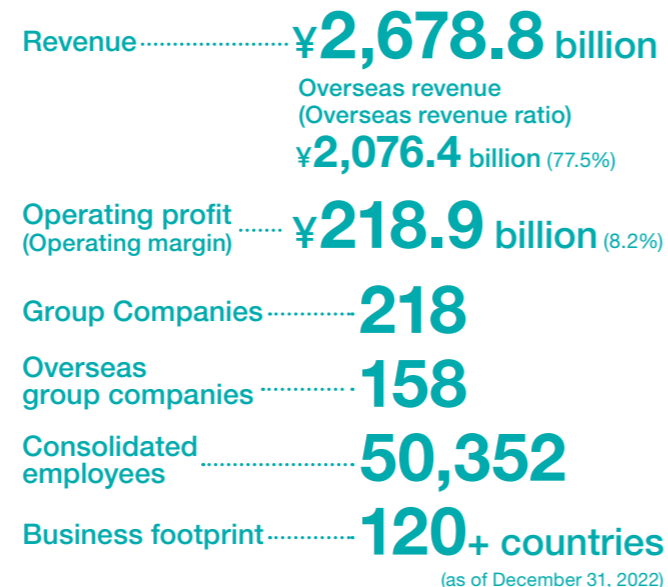
1890–1950 From Kubota's founding to the chaos in society before and after the war	1951–1972 From rapid economic growth to an era of stability	1973–2009 From the age of low growth to an era of globalization	2010–2016 Further global expansion	2017 and beyond Building a more sustainable society
<ul style="list-style-type: none"> • Growing needs for water and sewage infrastructure with the rapid spread of waterborne infectious diseases • Rise of heavy industry • Growing needs for mechanization with post-war food shortages 	<ul style="list-style-type: none"> • Growing needs for modern water and sewage infrastructure • Increasing demand for better urban infrastructure • Worsened water pollution and other environmental damage 	<ul style="list-style-type: none"> • Growing needs for mechanization suited to each country or region • Greater demand for food due to increased population in developing countries • Accelerated overseas expansion due to the appreciation of the Japanese yen 	<ul style="list-style-type: none"> • Rise of natural disaster preparedness activities and climate change countermeasures • Increasing environmental awareness and more stringent emissions regulations • Greater demand for improved farming efficiency and labor savings due to the declining number of farmers 	<ul style="list-style-type: none"> • Necessity of sustainable economic growth (adoption of SDGs) • Necessity of carbon neutrality for society • Greater use of IoT

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Kubota Group INTEGRATED REPORT 2023 10

The Kubota Group in Numbers

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.



Global expansion

Founding
February 1890

Gonshiro Kubota, the founder of the Kubota Group, started his metal casting business in Osaka.

Entry into an overseas market
September 1972

We established Kubota Tractor Corporation in California, U.S., to act as a sales site for our Kubota tractors.

Start of local production overseas
July 1989

We established a group company in Germany to act as a manufacturing site for compact construction machinery, which already held the biggest share of sales in Europe, and began local production.

Innovation

Creation of innovation centers
June 2019

We opened the Innovation Center in Japan, and then in July one in Europe, in order to strengthen our development structure to achieve open innovation.

Collaborations with external companies and organizations
26 projects
(announced since June 2019)

Since the opening of the innovation centers, partnerships—including those announced with startups—are expanding worldwide, and there are expectations for collaborations in various product fields.

KSAS users
21,700+ sites in total
(as of December 2022)

The KSAS cloud-based farm management support service, which we launched in 2014, has evolved over the years thanks to user feedback, and is an increasingly user-friendly system that helps farmers raise the sustainability of their operations.

Sustainability

Emissions compared to 2014
23.6% decrease

We have set ourselves the target of cutting CO₂ emissions (in Scopes 1 & 2) by 50% by 2030, and by fiscal 2022 we have already achieved a reduction of 23.6%.

MSCI ESG rating
AAA

The Kubota Group was ranked as a “Leader” among 30 companies from the construction machinery, agricultural machinery, large-cargo-vehicle industries.

Dow Jones Sustainability Indices (DJSI) Asia Pacific Index
Selected 6 years in a row

In 2022, Kubota was once again selected for inclusion in the Asia Pacific section of the Dow Jones Sustainability Indices, a global ESG investment index, for the sixth consecutive year.

Total Tractor Production Volume
More than 5.4 million units worldwide
(cumulative)



Total Engine Production Volume
More than 30 million units
(cumulative)



Share of Thailand Tractor Market / Share of Combine Harvester Market in 8 Countries in the ASEAN Region (total)*
No. 1
*For crawler combine harvesters only



Engine Line-up
Approximately 3,700 models

European Emissions Regulations
Stage V compliant

Sales Volume of Mini Excavators
Global No. 1 for 21 consecutive years
Source: Off-Highway Research



Global Supply Record of Ductile Iron Pipes
Over 70 countries



Submerged Membrane Unit Deliveries
More than 7,000 worldwide



Adoption Rate of Kubota Facilities for High-purity Water Treatment Facilities in Japan
Approximately more than 80%
*Based on activated charcoal-treated water volume



Note: Except where sources are provided, information included here is the result of Kubota research.