

It has been 12 months since you were appointed as the President. What kind of a year has it been?

It was a year full of concerns, such as being forced to close some of our factories due to the impact of the spread of the novel coronavirus (COVID-19) shortly after I was appointed, but it was also a year full of gratitude for everyone who supported the Kubota Group by maintaining an acute awareness of the importance of protecting the lives of our employees.

The impact of COVID-19 on operating results could not be completely avoided either, but due to the countermeasures taken by the Group as a whole, the worst-case scenario we had envisaged immediately after infections began to spread in earnest did not materialize. At the same time, the past year has left me with a stronger feeling for deep-rooted needs and expectations that provide support for Kubota's business even in the COVID-19 pandemic, and I think it has made me keenly aware we provide an essential business that is necessary to a great many people.

What was the background to the recent drafting of the first ever long-term vision for Kubota? Also, what is your perception of Kubota as an “Essentials Innovator for Supporting Life,” cited in the long-term vision as being “Committed to a Prosperous Society and Cycle of Nature”?

I feel strongly that environmental problems such as climate change and global warming, natural disasters, pandemics, population and resources problems and global political problems are intertwined in complex ways, and that there is a shared recognition of a sense of danger around the world that feels that society cannot continue into the future as it is.

We drafted the GMB2030 long-term vision in order to collect and share our thoughts on what Kubota should do and how it should proceed with regard to confronting the various issues that might arise over the coming decade and protecting sustainable daily lifestyles.

The idea of being “committed to a prosperous society and cycle of nature” is a reaffirmation of the activities that have developed the business of Kubota over the past 130 years. It is a kind of looking back at our business over those 130 years, and an expression of our aim, going forward, to continue that support for a prosperous society, for cycle of nature, and for social infrastructure.

An “essentials innovator” is a company providing a service that is essential when you want to do something. We intend for Kubota to become a company whose presence is essential to society, and for our products and services to be indispensable in some part of the food, water and environmental fields. The use of “essentials innovator” reflects that resolve.

For example, Kubota as a standalone company cannot cover the entire agricultural value chain for food from entry point to exit point, from purchases of agricultural materials to the sale of agricultural produce. We believe it could become possible if we can construct an agri-platform,

secure participation from related companies and organizations, and create a foundation for cooperation. To that end we are currently investing in a variety of startups, attempting to supplement those areas in which we are weak, and build win-win relationships.

The three solutions offered as pillars of business development in the long-term vision are enhancing the productivity and safety of food, promoting the circulation of water resources and waste, and improving urban and living environments, but what specific initiatives will you pursue?

We offer a framework incorporating three major solutions. Specifically,

- Sophistication of smart farming that utilizes high sensing analysis systems, autonomous machines and AI automatic control systems
- Building a Water Environment platform that monitors and manages water supply and sewage facilities, river flooding, etc.
- Providing resource recovery solutions from various types of waste

are cited

In addition to the themes with which we are already engaged, there are also others that are at the initial stage or investigatory stage in the specific solutions above. I believe there is significant growth potential in various solutions, based on highly competitive products and technology, that leverage synergies between different divisions.

As you move forward with the long-term vision, how do you plan to develop and grow the existing businesses?

The foundation for the new solutions are the existing businesses that we are already developing. I think there are cases in which the existing businesses will evolve, with synergies between food, water and the environment merging to create new solutions, and I think there will probably be cases where we commit new technology to create solutions in a new dimension. Either way, we expect new solutions to be generated using existing businesses and technology as a base.

Specifically, using the activities of existing businesses as a base, the Research and Development Headquarters and the New Business Promotion Department will take on the role of promoting the commercializing new businesses, while the Innovation Center and the Corporate Planning & Control Department gaging social trends and seeking out the green shoots of new businesses, with all working together and aligning vectors in order to search for new technologies and businesses. By appointing those in charge of existing businesses to lead the Innovation Center, we have created a structure where we are always thinking about how we can best link new businesses to existing businesses. I believe that unless we can integrate the

development of the existing businesses and the long-term vision, and the promotion of the three solutions, we will not achieve success.

Finally, please give us an overview of the new mid-term management plan.

We consider the five-year period of the mid-term management plan, which begins in 2021, to be a time for building the foundation in preparation for the 2030 vision, and have assembled the essentials of business activities. The centerpiece of this initiative is the across-the-board roll out of ESG management. Non-financial information, primarily related to Environment, Social, and Governance (ESG), is increasingly having an impact on corporate value. There is no doubt that the level of interest in sustainable business operations and ESG will continue to rise going forward. From that perspective we will establish new decision-making bodies and promotional departments to drive the shift towards ESG management, and promote business operations centered on ESG issues.

In addition, from a long-term perspective we will weigh the allocation of business resources towards the search for development and business themes. We have incorporated targets in the mid-term management plan for everything from selection of themes to building a business operation structure, and by 2025 we aim to establish multiple businesses that could become drivers of our future growth.

We will simultaneously take forceful measures to implement profit structure reforms, such as achieving steady growth in profitable businesses, establishing a profitable business structure, and streamlining business operations thoroughly. As a result, we aim to achieve results of ¥2.3 trillion in revenue in 2025, with operating profit of ¥300 billion.

It will not be easy to attain GMB2030 and the new mid-term management plan, but we will put everything we have into managing in such a way as to achieve these objectives. We hope that you will look forward to the continued growth and development of Kubota.