

Kubota

For Earth, For Life

KUBOTA REPORT 2012 Business and CSR Activities



KUBOTA Corporation



Food, water and the environment... We think about these issues to support people, and always will.

The KUBOTA Group provides products, technologies and services in the fields of food, water and the environment, which are essential for human existence. Contributing to sufficient and affluent food supplies, safe and reliable water and creation of a comfortable living environment, we will keep supporting the future of the earth and human beings.

For Earth, For Life

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Editorial note:

Since 2011, KUBOTA has enriched the reports of business and economic activities, which now describe the CSR efforts of the KUBOTA Group and the whole picture of its business activities from three perspectives (economic, social and environmental)

Relationship with the information provided on our website

In addition to this material, which covers issues of social concern, our official website provides a PDF version of this report to disclose more information including the detailed data not included in this report due to space limitation, as well as updated information.

Questionnaire concerning KUBOTA Report 2012

<http://www.kubota-global.net/csr/report/questionnaire.html>



Information available on KUBOTA's website

Information on the activities of the KUBOTA Group is given both in this report and on the official website. For more detailed information not shown in this report, please visit our website.

<http://www.kubota-global.net/csr/report/r2012.html>

- Economic report: Financial data (U.S. GAAP) P24①~④
- Social report: Supplementary information P38①~②
- Environmental report: Supplementary Information P48①~⑭

Boundary of the KUBOTA REPORT 2012

The KUBOTA REPORT 2012 covers the entire KUBOTA Group, in principle.

● Economic Report

The Economic Report contains data on the consolidated accounting based on U.S. accounting standards of generally accepted accounting principles in the United States (U.S. GAAP) Fiscal year 2012; 150 consolidated subsidiaries and 20 affiliated companies accounted for under the equity method.

● Social Report

The Social Report covers social activities carried out by KUBOTA Corporation and some of its affiliates.

● Environmental Report

The Environmental Report contains the results of environmental activities carried out by KUBOTA Corporation as well as 150 consolidated subsidiaries (65 domestic and 85 overseas companies).

Period covered by this report

The content of this report focuses on activities during fiscal 2012 (April 2011 to March 2012, hereinafter FY 2012). The Environmental Report presents domestic data from April 2011 to March 2012 and overseas data from January 2011 to December 2011. Some portions may include information on recent events.

Referenced guidelines

Environmental Report Guidelines (Fiscal Year 2007 version), Ministry of the Environment (Government of Japan)
Sustainability Reporting Guidelines Version 3.1, GRI

Designed by CSR Promotion Dept.

Edited and published by Corporate Communication Dept.

* CSR=Corporate Social Responsibility

Cautionary Statements with Respect to Forward-Looking Statements

This document may contain forward-looking statements that are based on management's expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation: general economic conditions in the Company's markets; particularly government agricultural policies; levels of capital expenditures, both in public and private sectors; foreign currency exchange rates; the occurrence of natural disasters; continued competitive pricing pressures in the marketplace; as well as the Company's ability to continue to gain acceptance of its products.

Inheriting the Spirit of the Founder



Gonshiro Kubota, the founder of KUBOTA, set about the development of iron pipes to protect people from infectious diseases.

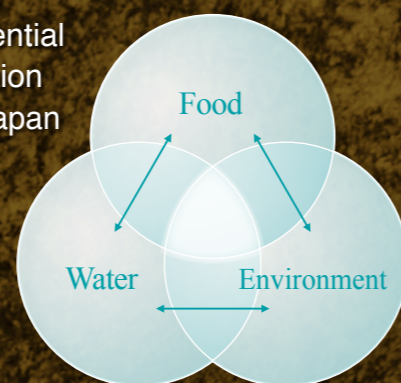
In 1900, the history of KUBOTA started with his success in Japan's first mass production of water pipes. The founder's enthusiastic and tireless work for manufacturing made it possible. At KUBOTA, we will always be committed to the very basic principles of manufacturing and inherit the corporate Spirit of KUBOTA to contribute to society through the promotion of business activities.

For Earth, For Life

In the modern era, the world faces many problems in the fields of food, water and the environment, which are essential for human beings. This slogan represents our determination that all of KUBOTA Corporation and its affiliates, both in Japan and abroad, as well as their employees will unite and work together to reach the same goal.

Earth... We protect the environment of this beautiful earth.

Life.....We support a prosperous life for human beings always



Corporate Mission Statement

- Work for the development of society by drawing on all 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

Management Principles

The KUBOTA Group contributes to the development of society and the preservation of the earth's environment through its products, technologies, and services that provide the foundation for society and for affluent lifestyles.

Charter for Action *Headings only

- 1 Winning Customer Satisfaction
- 2 Conducting Corporate Activities Based on Compliance with Legal Regulations and Ethical Principles
- 3 Respecting Human Rights
- 4 Creating a Safe and Vibrant Work Environment
- 5 Preserving the Natural Environment
- 6 Achieving Symbiosis with International and Local Societies
- 7 Fulfilling Responsibilities for Improving Management Transparency and Accountability



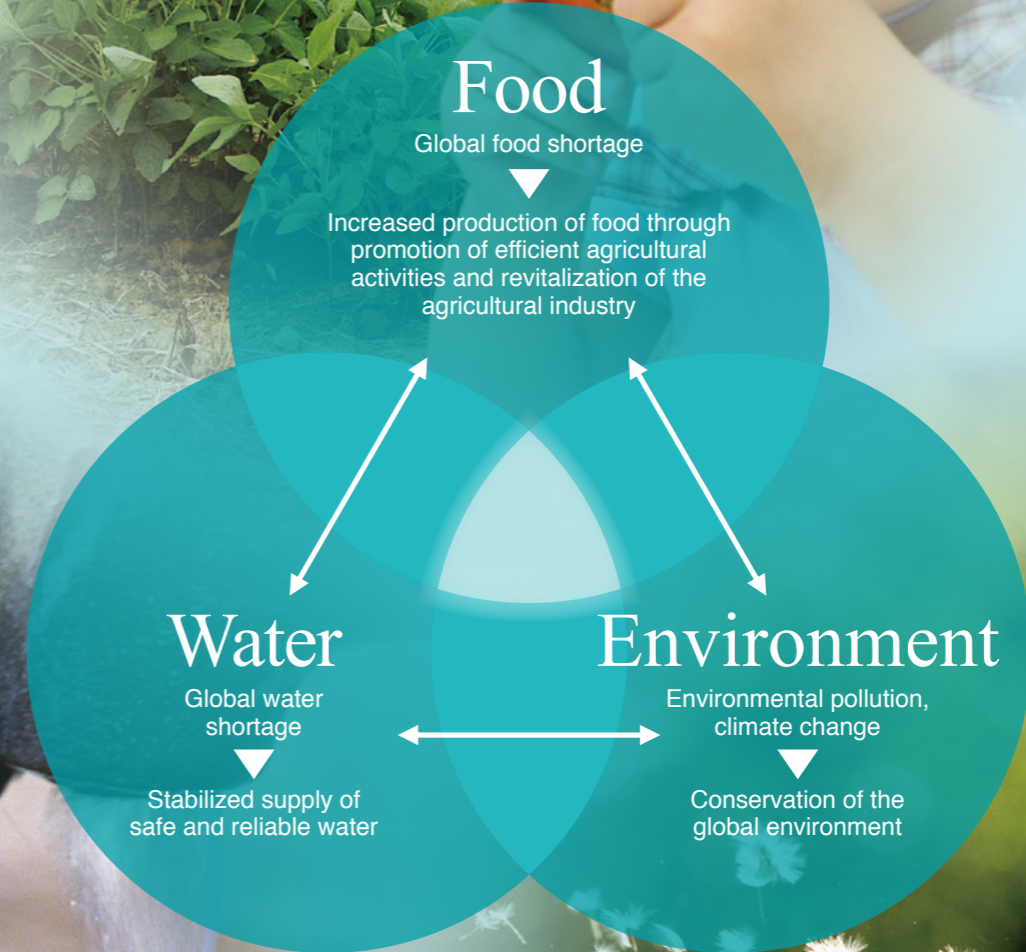
For the Earth and Sustainable Development for Human Beings

What KUBOTA can do
What KUBOTA will do

The global environment is now burdened with many significant problems caused by rapid economic development, such as global warming, climate change and an increase in large-scale natural disasters.

The challenges are crucial for us because they are related to the supply and conservation of “food, water and the environment,” which are essential for human beings.

The KUBOTA Group considers that it is our global mission to tackle the social problems related to food, water and the environment. Dealing with diverse situations in various parts of the world, we will keep striving to solve these problems through our business activities.



Three Challenges for KUBOTA

These three elements are mutually related. KUBOTA will contribute to all of them through its products, technologies and services.

Food

Demand for a higher level of food production will be a crucial challenge in the world

It is said that about one out of seven people on the earth is now starving because food production and supply cannot keep up with ever-increasing demand as a result of continuous population explosion, especially in emerging countries and developing countries. On the other hand, food production is significantly influenced by environmental factors such as abnormal climate and desertification. Against a backdrop of such food problems in the world, KUBOTA helps produce more food through the proposal of solutions with a focus on the introduction of agricultural machinery that satisfy specific needs of different countries and regions.

What KUBOTA can do to help meet the increasing demand for food

KUBOTA has contributed to mechanization of agriculture in Japan and other countries mainly through the supply of rice farming machinery. We acquired a European dry-field farming implement manufacturer in 2011 with the aim of growing as a company that can also support increased food production in dry fields. KUBOTA's efforts to contribute to addressing food issues in local communities through its technologies and products are making steady progress toward a new stage.

The world's population will reach 9 billion in 2050

More and more food is demanded to support the rapidly expanding global population.



Water / Environment

Demand for water is increasing while water pollution is worsening

Human beings can use only 0.01% of the water existing on the earth. On the other hand, demand for water, including domestic water as well as water for agricultural and industrial uses, keeps increasing as a result of rapid population expansion and economic growth. The problem of water pollution caused by domestic and industrial wastewater is becoming increasingly severe in emerging countries, and this calls for urgent actions to secure safe and reliable drinking water. KUBOTA has more than a century of experience in water-related business operations. With our quality materials and equipment for waterworks and sophisticated water treatment technologies, we contribute to the solution of various water problems in many parts of the world.

Continuously protecting the essential lifeline of human beings

In 2011, great floods hit Thailand and caused massive damage. We assisted with the restoration and rehabilitation from the damage in the Southeast Asian country, one of our important production bases, with our original water and environmental technologies. Assistance in the drainage of flood water with our pumps and the provision of our water purification equipment were especially effective support activities. Water is a crucial resource for human beings. Commitment to solving water-related problems leads to development of social infrastructure that is also environmentally friendly. Through its business activities, KUBOTA will make continuous efforts to not only solve water problems but also contribute to the conservation of the environment including the air and land.

Only 0.01% of the water on the earth is our “water of life”

“Our products should not only be technically excellent, but also useful for the good of society.” The founder’s goal was that the business itself contributes to the society. The Spirit of the founder that has been inherited in Japan is now being disseminated around the world.



KUBOTA will continue efforts to contribute to social development from a global perspective

Y. Masumoto

Representative Director, Chairman, President & CEO Yasuo Masumoto

With the expansion of overseas business, we focus on the establishment of a global management system and thorough implementation of CSR activities. We at KUBOTA will give continued support to solve social, economic and environmental problems in the world with our products, technologies and services that contribute to the development of countries and societies.

Q. How can you summarize the results in FY2012?

A. We saw a return to profitability and ensured high performance.

In FY2012, our revenue exceeded 1 trillion yen for the first time in 3 years since FY2009. Operating income was above the target of 100 billion yen while the operating margin also exceeded 10%. We managed to ensure high performance even in the midst of severe economic conditions because we developed businesses that meet the demands of society, and our stakeholders supported us. However, revenue is still below the peak level and our strength to grow is not yet sufficient. We are keenly aware that it is essential to make steady and self-reliant efforts such as development of new markets, instead of just waiting for the recovery and expansion of existing markets, in order to accelerate our growth.

Q: What was the purpose of the drastic organizational realignment in April 2012?

A. We aimed to accelerate the growth of our business and also to realign our way of thinking.

In the organizational realignment, we eliminated the consolidated division system and realigned the 14 operating divisions into 7 business divisions. The purposes were creation of a flatter organizational structure and facilitation of rapid decision making. The scale of each division was also expanded to make it possible to realize synergies among different fields and use their resources more efficiently. Moreover, indirect departments in various divisions were reorganized to form six headquarters with the objective of establishing the structure to underpin our operations with enhanced business support and corporate governance functions. This organizational realignment also aimed to reform our way of thinking within the company. In other words, our goal was "Breaking away from our overdependence on successful experience." In the dramatically changing business

environment, we should not rely on our success in the past, but make the best choice from a long-term perspective at any time. We will strive to incorporate such an idea into our corporate culture.

Q. While FY2012 was recognized as "year zero" in KUBOTA's reincarnation as a genuinely global company, what efforts will you make in FY2013?

A. We will promote further expansion of overseas business.

KUBOTA has largely relied on revenue from its overseas business in the last decade. The expansion of overseas business has also offset the impact of the stronger yen and the poor performance of domestic business to support corporate management. The stages for the social contribution activities of KUBOTA are expanding to emerging countries and other parts of the world. We will grow by dramatically expanding our business in the overseas markets. In the Farm & Industrial Machinery segment, we plan to increase the production of engines in expectation of growing demand, while making efforts to increase our sales in Asia in the Water & Environment segment, which involves pumps and membrane filtration systems. We are putting our efforts into the expansion and improvement of our production facilities abroad especially based on the idea of market orientation, which focuses on local needs and reflects them in products by manufacturing what sells in the local market. In FY2013, we will start to produce diesel engines in Thailand and construction machinery in China. In North America, our production base for compact tractors is under construction. We have launched manufacturing of steel casting products for petrochemical plants in Saudi Arabia to compete against European manufacturers. Although our overseas production ratio is still less than 20%, we will strive to transform ourselves from an export-oriented firm to a genuinely global company with a goal of raising the ratio to 30% at an early stage.



Q. What is your plan in the development of overseas business?

A. As a comprehensive machinery manufacturer, we will contribute to the increase in food supply on a global scale. In water-related businesses, we will enhance our presence with focus on China and other Asian markets.

KUBOTA has marketed agricultural machinery mainly for rice farming such as tractors, rice transplanters and combine harvesters. There are still many areas where rice is eaten as a staple food but where we have not yet introduced our products, including those in Asia, Africa and South America. I believe that our technology to produce lightweight agricultural machinery suitable for rice farming can also contribute to the development of agriculture in such areas.

On the other hand, dry-field farming is the dominant agricultural practice in the world. It will be essential to fully enter the dry-field farming market if KUBOTA wants to contribute to the increase in food supply on a global scale. With the acquisition of Kverneland ASA, a manufacturer of dry-field farming implements in Norway, as a springboard, we will accelerate our growth as a comprehensive manufacturer of agricultural machinery.

We will also exert our product capabilities, technologies and know-how in water-related fields to the full in order to contribute to the countries that will require water-related infrastructure in the future such as China and other Asian countries. KUBOTA is the only company in the world to provide the products and technologies that play active roles in the comprehensive areas ranging from water intake to water discharge, including pumps for water intake from sources, pipes and valves for water delivery and distribution and water purification and sewage treatment technologies. Using the technologies and know-how that have been cultivated in Japan since the early days of modern water supply, we would like to work actively in the development of water-related infrastructure around the world.

Q. Will management functions also be moved overseas?

A. We will upgrade regional management functions, and also attach a high value to what Japan can offer.

In response to globalization, we will upgrade regional management functions to make effective use of management resources on a regional basis and design the measures according to local circumstances. The function to control product-specific divisions in a cross-sectional manner will also be transferred to respective regions. As a first step, we

have launched a regional headquarters company in China. One of our tasks for this year is to divide the world into several blocks and establish a business operation system in each of the regions.

On the other hand, when it comes to quality and manufacturing, we must create the products that will be selected by customers not because they are made in Japan but because they are made by KUBOTA. I initially worked in manufacturing departments for many years and have the strong feeling that quality is the essence of manufacturers. Keeping this in mind, we will develop a quality control and manufacturing system in Japan to gain an outstanding reputation for "Made by KUBOTA" and then establish this system in our production bases around the world. I think that our activities in Japan will play a pivotal role.

Q. What efforts will you make in domestic business?

A. We will promote the structural reforms of businesses and strive to recover and enhance profitability.

In Japan, the business environment for KUBOTA has been harsh for several years with, for example, a decrease in public works projects, a decline in the population of farmers and the aging of society. On the other hand, with the expansion of our overseas business, we have started to shift production and development activities abroad on a full scale. An important task for us is to consider how we can balance our domestic and overseas business activities, and to this end, how we should restructure each of the businesses. The domestic business will be drastically revised based on the examination of its future potential. We will complete structural reforms quickly and make efforts to ensure stable medium and long term earnings, not only from the overseas business but also from the domestic business, and by reallocating resources to growing businesses.

Q. In 2011, Japan and other parts of the world suffered from unimaginable disasters. How do you think the business operations should be managed in response to these disasters?

A. I think that we should give first priority to the lives of people and make continuous efforts to solve problems from a global perspective.

The disasters that occurred in various parts of the world, such as the Great East Japan Earthquake and floods in Thailand, caused harm to a large number of people including customers of the KUBOTA Group. I keenly felt that we should give top priority to people's lives under such circumstances. Plant equipment can be repaired and products can be produced again, but life is precious. We at KUBOTA,

a company which is supported by the society, must seriously consider how to save such precious life.

I have also directed employees to always be aware of risk management for business continuity at times of disaster. When great floods occurred in Thailand, we temporarily used our manufacturing plants in Indonesia in place of the flooded plants to ensure the supply of products, and we managed to minimize the impact on our customers.

Q. Lastly, what is a "sustainable company" in your opinion?

A. I think that it maintains high growth potential and soundness, and keeps contributing to society.

Through its corporate activities for more than 120 years, KUBOTA has developed businesses that contribute to society, such as water supply, agriculture and infrastructure construction. While the competitive environment surrounding the businesses is changing dramatically, the fields of food, water and the environment, to which KUBOTA is committed, are always essential for human beings. I think that our activities must be sustainable together with society. It is our aim to remain as a company that has both high growth potential and soundness under any and all circumstances. Especially for a soundness, we will firmly maintain the policies of "management emphasizing the front-line of business, with focusing on technologies and manufacturing capabilities" and "enhancing CSR management," which have been upheld since the very start of my presidency. For example, the issues of "quality" and "safety," which are foundations for manufacturers, can only be identified at the

work sites. I always say that it is no use discussing the events identified without inspecting the work sites, and I direct employees to visit the sites. I want to establish this principle of examining actual sites above anything else.

CSR is indispensable for companies to win the trust of society. I have identified "internal control," "diversity management" and "environmental conservation" as the core elements of CSR management. Supplying excellent products and technologies alone is not enough to receive recognition for our business style. We will remain committed to thorough internal control to ensure observance of rules. In the utilization of human resources, we will eliminate the gaps between genders, nationalities, races, age groups and the like in order to realize optimized allocation of personnel based on their capabilities. As KUBOTA is involved in remediation of environmental problems through business activities, we are also trying to conserve the environment in our daily operations. Instructions are also issued to purify and recycle wastewater in the construction of factories, which is underway for the expansion of our production bases abroad.

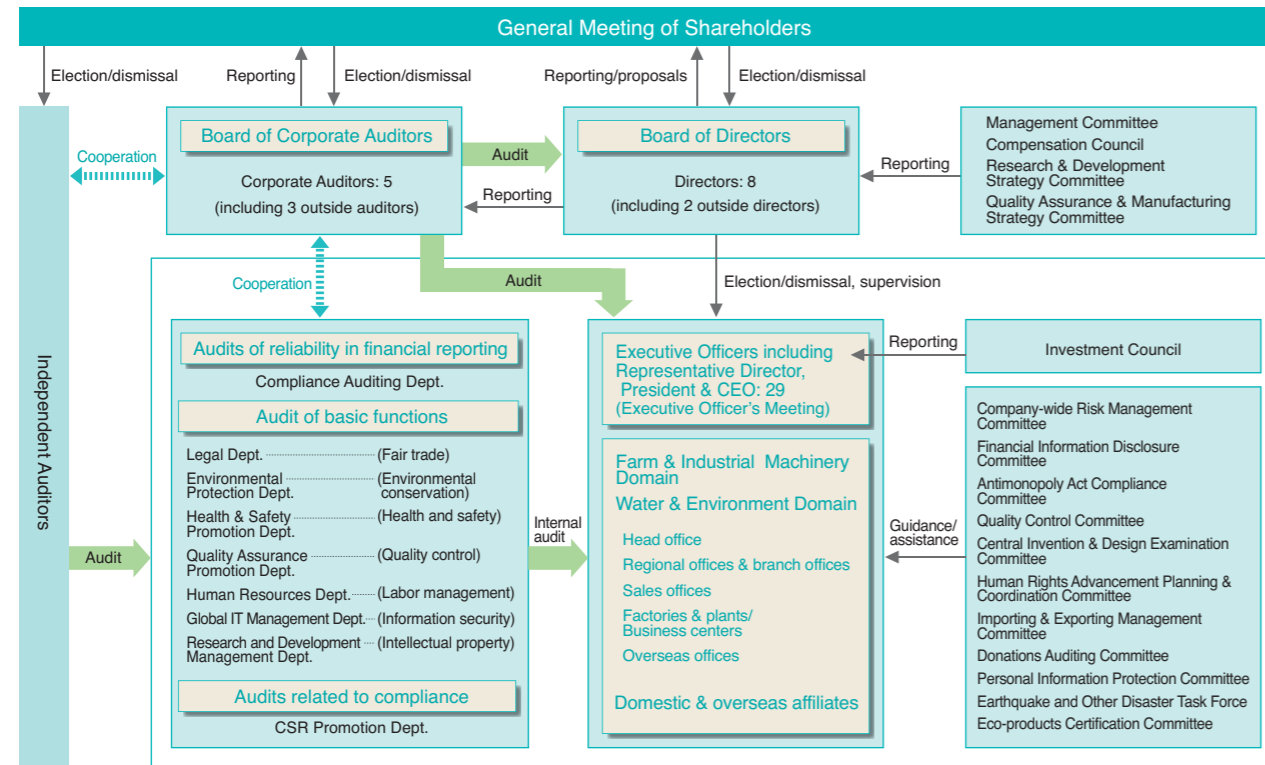
It is currently an urgent task to respond to changes in the environment in a quick and flexible manner and develop a system and organization that can achieve high growth. At the same time, I want KUBOTA to remain as a company that values "basics" such as technology and manufacturing as well as CSR. We will ensure continued efforts to establish a company that can do what we should do naturally.

Corporate Governance

Corporate governance structure

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

Corporate governance structure (as of June 22, 2012)



Board of Directors

The Board of Directors makes strategic decisions and oversees the execution of duties by Directors and Executive Officers. It is made up of eight Directors (two of whom are Outside Directors). In addition to its regular monthly board meetings, it also meets as and when required, to discuss and make decisions relating to management planning, financial planning, investment, business restructuring and other important management issues.

Executive Officers' Meeting

KUBOTA Corporation has adopted the executive officer system. The Executive Officers' Meeting consists of the Representative Director, President & CEO (referred to below as "the President") and the Executive Officers. In addition to its regular monthly meetings, it also meets as and when required. The President instructs the Executive Officers on policies and decisions made by the Board of Directors. The Executive Officers report to the President regarding the status of their execution of duties.

Board of Corporate Auditors

KUBOTA Corporation is a company with auditors. The Board of Corporate Auditors consists of five Corporate Auditors (of whom three are outside auditors). In addition to its regular board meetings held on a quarterly or more frequent basis, it also meets as and when required, to discuss and make decisions regarding auditing policy, audit reports and other matters.

Management Committee and Investment Council

The Management Committee meets to deliberate important management matters such as investments and loans, and mid-term management plans before they are discussed by the Board of Directors. Two of the full-time corporate auditors participate in the committee as observers. The Investment Council gives the President advice on matters to be decided by the President, except those deliberated by the Management Committee, as well as on special matters. The council does not include the President, and one of the full-time corporate auditors participates in it as an observer.

Internal Control System of the KUBOTA Group

The KUBOTA Group's internal control system consists of "business management" (running the business on the basis of rules) and "risk management" (managing the principal risks involved in management). For risk management, based on the risk management rules, the departments in charge carry out information distribution, education and training, auditing, follow-ups, etc. for the operational divisions. The results and measures are reported to the Board of Directors every fiscal year. In this way, the Group carries out a risk management PDCA cycle. Risk management is thus incorporated into daily work to ensure legal compliance and also to improve (standardize) the operations.

Risk management item	Department in charge	Risk to be avoided	Number of audited items (total)*1	
			KUBOTA Corp.	Affiliates
Internal control over financial reporting	Finance & Accounting Dept. Compliance Auditing Dept.	Risk on reliability in financial reporting	4,561	3,290
Internal control concerning basic corporate functions	Fair trade (compliance with the Antimonopoly Act and the Subcontractors Law)	Risk of collusive bidding and price cartels Risk of unfair trading with sales companies, etc. Risk of violation of the Subcontractors Law	*2	
	Environmental conservation	Risk of violations of law Risk of environmental accidents Risk of past environmental debt	1,962	7,301
	Health and safety	Risk of serious accidents Risk of occupational illnesses Risk of administrative punishments and lawsuits	1,373	1,403
	Quality control	Risk of quality problems that may damage the KUBOTA brand and emergency response	691	97
	Labor management	Risk related to breach of obligation on attention to safety of employees Risk related to improper management of working conditions Risk related to improper management of employees under irregular employment, and contract and temporary workers Risk related to occurrence of overseas labor problems	1,274	3,081
	Information security	Risk of computer virus infection Risk of information leaks Risk of information system failure	940	715
	Intellectual property	Risk of infringing intellectual property of other companies	376	103
	Compliance with equipment-related statutes	Risk of violations of law related to owned assets and facilities such as the Building Standard Law, Fire Defense Law and Industrial Safety and Health Act	422	57
	Earthquake and other disaster control	Risk of threats to life, and damage to facilities and information systems due to earthquakes and other disasters	72	102
	Compliance with the Construction Business Law	Risk of violation of the Construction Business Law	247	677
Internal control concerning compliance	Human rights promotion	Risk of cases of abusing human rights Litigation due to improper handling of a case	116	223
	Safe operation control	Risk of violation of traffic rules, and accidents caused by such violation Further damage due to improper handling at time of accident	56	86
	Prevention of illegal payments	Risk of relations with antisocial forces Risk of violation of the Political Fund Control Act	685	77
	Confidential information management	Risk of leakage of confidential information such as development and marketing plans for new products	1,337	412
	Personal information protection	Risk of leakage and loss of personal information on customers, employees, etc. Risk of improper use of personal information	319	116
	Import and export control	Risk of violation of import and export-related laws including the Customs Act, Foreign Exchange and Foreign Trade Control Law, Basel Law and chemical-related laws	917	304
	Compliance with logistics-related laws	Risk of violation of the logistics-related laws including the Road Traffic Act Risk of violation of the drivers' hours rules including the Labor Standards Act	159	43

*1 No. of audited items (total) is the sum of the number of items audited in each of the targeted divisions in FY2012.
*2 We are implementing effective risk management thoroughly based on the actual situation of the businesses through measures such as double-checking with division audits and company-wide audits.

Operation of the Internal Control System

Summary of Results in FY2012, Priority Issues for FY2013 and Medium-Term Targets

● Target exceeded ○ Target reached
△ Portion of target not reached ✕ Target not reached

Main focus of activity	Plan	Do	Check	Action	Plan
	Priority issues for FY2012 (From April 2011 to March 2012)	Activities in FY2012 (From April 2011 to March 2012)	Self-evaluation	Priority issues for FY2013 (From April 2012 to March 2013)	Medium-term Targets
Fair Trade	<ul style="list-style-type: none"> Firmly establishing a system of prior consultations in connection with dubious acts through the activities of consultants Encouraging the sharing of information and risk communication with related divisions in order to respond to increased risk involved in purchase transactions accompanying enforcement of the revised Antimonopoly Act Sharing of information and creation of a prior consultation system related to competition law risks in overseas business activities 	<ul style="list-style-type: none"> Consulted on risk points related to abuse of dominant bargaining position in the relevant divisions, and consulted with lawyers on dubious cases through utilization of the prior consultation system As to materials purchase transactions, provided training sessions on the basics of the Subcontractors Law, held consultation meetings on a working level and investigated transactions of affiliates with subcontractors Consulted with lawyers on individual cases outside Japan, and held training sessions and opinion exchange meetings on competition laws in overseas affiliates 	○	<ul style="list-style-type: none"> Firmly establishing a system of prior consultations in connection with dubious acts through the activities of consultants Providing training sessions in the divisions so as not to forget the lessons of past violating acts Encouraging continuous information sharing and risk communication with related divisions in order to firmly establish the understanding of risk areas in purchase transactions and responses to these areas Sharing of information and establishment of a prior consultation system related to competition law risks in overseas business activities 	<ul style="list-style-type: none"> Establishment of a prior consultation system in connection with actions that may infringe upon the Antimonopoly Act Flexible response to diversification of the risk of infringement of the Antimonopoly Act, enforcement of the Act, and response to risk management concerning globalization of business activities
Prevention of Illegal Payments	<ul style="list-style-type: none"> Providing relevant information to promote awareness of the "risk of paying bribes to foreign officials" in overseas business activities 	<ul style="list-style-type: none"> Provided general employees with training sessions on the risk in Asia and how to address it Provided senior management with information and training sessions to promote their awareness of the risk 	○	<ul style="list-style-type: none"> Establishing a risk management system on the "risk of paying bribes to foreign officials" 	<ul style="list-style-type: none"> Strengthening legal compliance related to the management of the "risk of paying bribes to foreign officials"
Import/Export Control	<ul style="list-style-type: none"> Completing the establishment of the export control system in overseas affiliates subject to the control and conducting audits to check their performance 	<ul style="list-style-type: none"> Completed the establishment of the export control system in the overseas affiliates 	○	<ul style="list-style-type: none"> Establishing the export control system in the overseas affiliates that will start export activities 	<ul style="list-style-type: none"> All the overseas affiliates conducting export activities should have the export control system in place and have established the operation control structure
Compliance with the Construction Business Law	<ul style="list-style-type: none"> Strengthening compliance with the Construction Business Law by KUBOTA Corporation and its domestic affiliates 	<ul style="list-style-type: none"> Conducted audits and provided education concerning compliance with the Construction Business Law within KUBOTA Corporation and its domestic affiliates 	○	<ul style="list-style-type: none"> Strengthening compliance with the Construction Business Law by KUBOTA Corporation and its domestic affiliates 	<ul style="list-style-type: none"> Further efforts to ensure thorough compliance with the Construction Business Law by KUBOTA Corporation and its domestic affiliates
Control of Intellectual Property	<ul style="list-style-type: none"> Maintaining and strengthening the intellectual property risk management system of overseas affiliates 	<ul style="list-style-type: none"> Provided support in formulating Regulations on Managed Development themes as a precondition for intellectual property risk control for two targeted overseas affiliates, which then started implementing of the regulations 	○	<ul style="list-style-type: none"> Providing the two overseas affiliates with guidance on the operation of Regulations on Managed Development themes and encouraging them to infiltrate the rules within their organizations 	<ul style="list-style-type: none"> Promotion of intellectual property risk management in response to globalization
Information Management	<ul style="list-style-type: none"> Promoting the introduction of standard security-related software in overseas affiliates 	<ul style="list-style-type: none"> Promoted the introduction of standard security-related software in overseas affiliates, mainly in Asia (ongoing in FY2013) 	△	<ul style="list-style-type: none"> Strengthening system restoration measures to prepare for disasters Developing rules for using new information devices such as smartphones 	<ul style="list-style-type: none"> Promoting the establishment of a mechanism consistent across the Group to use information as a corporate resource in a safe manner

Fair trade

Reflecting on its past violations of the Antimonopoly Act, the KUBOTA Group is committed to ensuring compliance with the Act on a group-wide scale. It is not involved in any cooperative ties with competitors in the industry, and it takes risk control measures such as keeping records of each of its activities in the trade association. It has also introduced a system to confer beforehand with consultants in its operational divisions as well as legal divisions on any dubious acts and take advice from lawyers where necessary in order to ensure prevention of violation.

In response to recent tightening of enforcement of the Subcontractors Law, KUBOTA provided training sessions not only for materials procurement divisions, but also other related divisions such as production control and design divisions. KUBOTA is thus ensuring thorough compliance. (Provided on January 19 and 30, 2012)

Prevention of illegal payments

The KUBOTA Group has adopted an uncompromising policy to break off relations with antisocial forces such as sokaiya racketeers and gangster organizations and to refuse to entertain any of their illegitimate demands. Audits are conducted to ensure the establishment of mechanisms to prevent illegal payments. The Donations Auditing Committee reaffirms that there are no inappropriate dealings or payments at the annual meetings. In particular, responding to the enforcement of the Organized Crime Exclusion Ordinance in all prefectures in Japan, it has made the ordinance known to its employees. It has also provided its construction, sales and materials divisions with briefing sessions on specific issues to be noted and measures to be taken to eliminate ties with gangster organizations. (Provided 10 sessions in KUBOTA Corporation and 7 sessions among affiliates during FY2012.)

The Group has also identified "payment of bribes to foreign officials" as a high risk area when rapidly promoting globalization of its business, as increasingly more companies are charged with such acts. Training sessions to avoid the risk were provided for senior management as well as managers and other employees in charge of overseas businesses. (Provided on June 22 and 23, 2011 and March 23, 2012)



Mr. Yoshiki Uchida, a New York state attorney, gave a lecture in the training session on prevention of bribe payments to foreign officials, which was attended by executives of KUBOTA Corporation and its affiliates

Import/export control

In Japan, the KUBOTA Group provides education on import/export control in KUBOTA Corporation and its affiliates and conducts audits to check the operations and give guidance. In overseas affiliates as well, it examines the export situation and has relevant rules and checklists in place at each of them.

KUBOTA Corporation and Kubota Machinery Trading Co., Ltd. have been qualified as authorized exporters and authorized importers by Osaka Customs. The two companies are promoting simplification and streamlining of the application procedures for export and import.



Certificate of acknowledgment as an authorized exporter issued for Kubota Machinery Trading Co., Ltd.

Compliance with the Construction Business Law

The KUBOTA Group continued in FY2012 to strengthen its system of compliance with the Construction Business Law through audits and educational activities.

In particular, it identified dealings with subcontractors as a priority subject, and focused on issues related to contracts with subcontractors and payments to them in its efforts to confirm compliance and give guidance. In this way, it promoted appropriate business activities in compliance with the Construction Business Law.

Control of intellectual property

To avoid infringing on the intellectual property rights of other companies, the KUBOTA Group continuously provides relevant guidance and instruction and conducts audits in the Group including overseas production bases.

It is also striving to exercise its intellectual property rights as a measure to deal with imitation products modeled on its products, which are increasing in pace with the globalization of business operations.

Information management

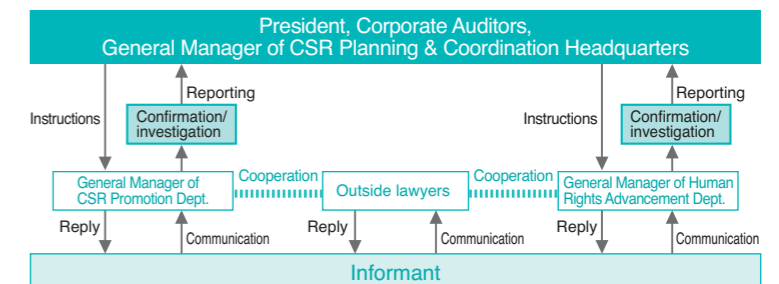
To ensure the safe use of information as a corporate resource, the KUBOTA Group takes ongoing measures to prevent information leaks and virus infections.

It particularly focuses on strengthening measures to maintain and restore its systems in preparation for system breakdowns due to disasters, and on establishing rules on the use of new information devices such as smartphones for improved use of information.

Internal reporting system (the KUBOTA Hotline)

As a mechanism to support its risk control activities, the KUBOTA Group operates an internal reporting system, which also places contracting lawyers outside the company as consultants. This system aims to prevent or quickly detect and correct any illegal and unethical acts, as well as to develop an open corporate culture.

Flowchart of the KUBOTA Hotline



Performance Report of the KUBOTA Group

Results of operations for the year ended March 31, 2012

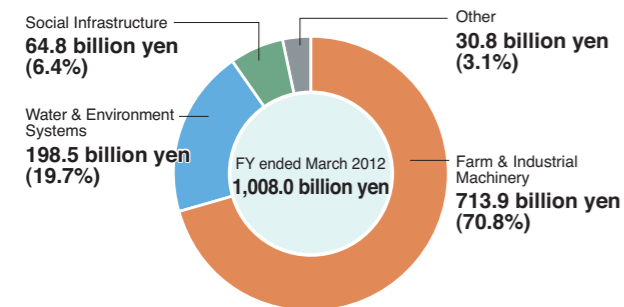
For the year ended March 31, 2012, revenues of the KUBOTA Group increased 74.3 billion yen (8.0%) from the prior year, to 1,008.0 billion yen.

In the domestic market, revenues increased 20.8 billion yen (4.3%) from the prior year, to 498.7 billion yen due to increased revenues in all reporting segments. Domestic revenues in Farm & Industrial Machinery increased due to favorable sales of construction machinery and other products, and revenues in Water & Environment Systems increased due to steady sales of products related to public works. Revenues in Social Infrastructure and Other also rose, thus resulting in an overall increase in domestic revenues. In overseas markets, revenues increased 53.6 billion yen (11.8%) from the prior year, to 509.3 billion yen. Revenues in Farm & Industrial Machinery posted a major increase due to steady demand in North America and Europe, and revenues in Social Infrastructure also increased. However, revenues in Water & Environment Systems and Other decreased. The ratio of overseas revenues to consolidated revenues was 50.5%, 1.7 percentage points higher than in the prior year.

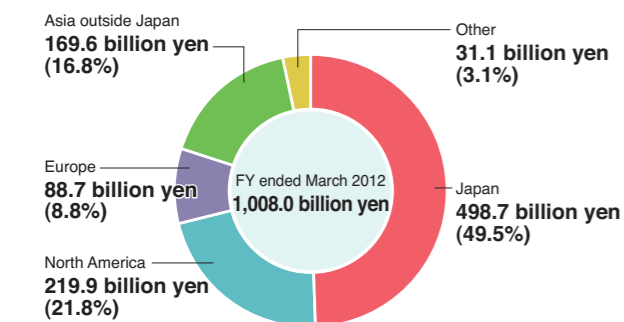
Operating income increased 19.6 billion yen (22.7%) from the prior year, to 105.7 billion yen, due to an increase in overseas revenues in Farm & Industrial Machinery, company-wide cost reductions and gain on sales of land.

Income before income taxes and equity in net income of affiliated companies was 100.9 billion yen, 9.6 billion yen (10.6%) higher than in the prior year, because of decreases in gain on sales of securities-net and gain on nonmonetary exchange of securities, which partly offset an increase in operating income. Income taxes were 36.5 billion yen, and equity in net income of affiliated companies was 1.6 billion yen. Accordingly, net income increased 4.9 billion yen (8.0%), to 66.0 billion yen. After deducting 4.5 billion yen of net income attributable to noncontrolling interests, net income attributable to KUBOTA Corporation was 61.6 billion yen, 6.7 billion yen (12.3%) higher than in the prior year.

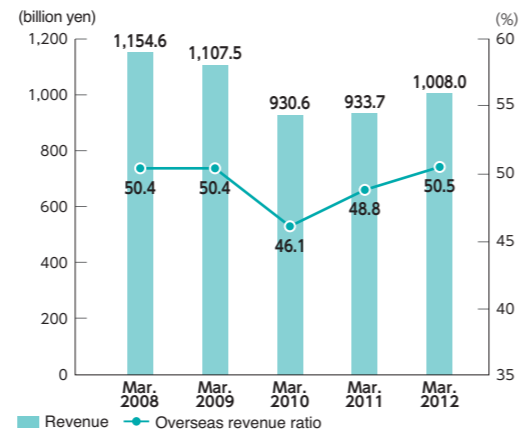
Revenues by reporting segment (percentage of total)



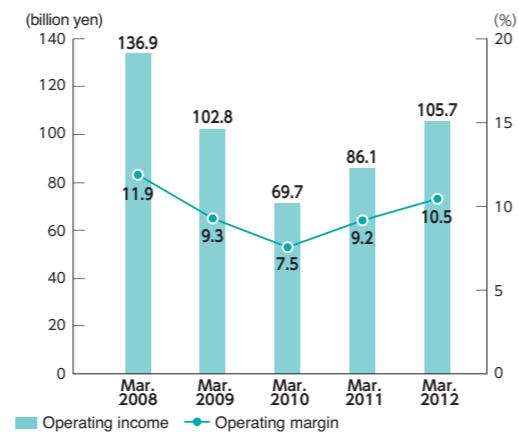
Revenues by region (percentage of total)



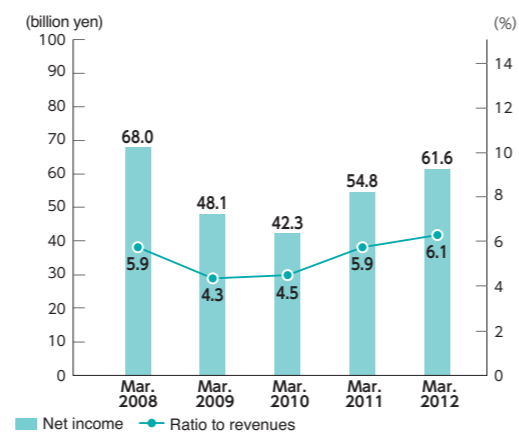
Revenues and overseas revenue ratio



Operating income



Net income attributable to KUBOTA Corp.



	Unit	Mar. 2008	Mar. 2009	Mar. 2010	Mar. 2011	Mar. 2012
Revenue	billion yen	1,154.6	1,107.5	930.6	933.7	1,008.0
Operating income	billion yen	136.9	102.8	69.7	86.1	105.7
Operating margin	%	11.9	9.3	7.5	9.2	10.5
Income before income taxes *1	billion yen	122.6	83.3	73.5	91.3	100.9
Net income attributable to KUBOTA Corp.	billion yen	68.0	48.1	42.3	54.8	61.6

Total assets	billion yen	1,464.3	1,385.8	1,409.0	1,356.9	1,487.7
Shareholders' equity	billion yen	648.1	578.3	626.4	634.9	653.3
Shareholders' equity to total assets	%	44.3	41.7	44.5	46.8	43.9
Interest-bearing debt	billion yen	363.0	401.1	403.1	354.0	361.2
Debt equity ratio *2	-	0.56	0.69	0.64	0.56	0.55

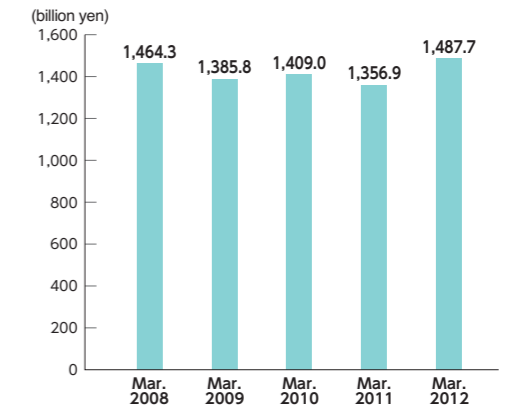
Net cash provided by (used in) operating activities	billion yen	90.1	△22.6	119.1	81.9	79.9
Free cash flow *3	billion yen	54.4	△55.5	92.5	54.5	52.9
Earnings per share (EPS) *4	yen	52.80	37.68	33.28	43.11	48.75
Book-value per share (BPS) *5	yen	506.09	454.60	492.51	499.24	520.14

Return on assets (ROA) *6	%	4.6	3.4	3.0	4.0	4.3
Return on equity (ROE) *7	%	10.4	7.8	7.0	8.7	9.6

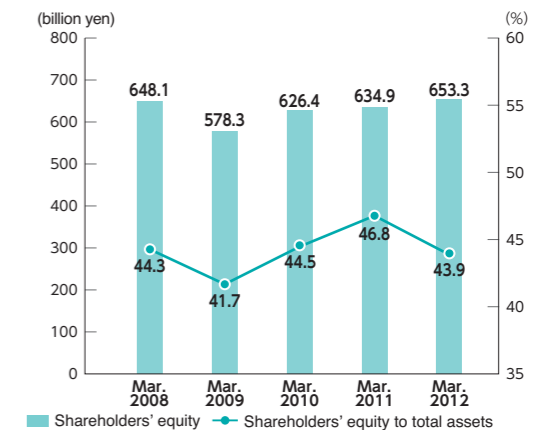
Capital investments	billion yen	35.2	33.3	26.0	24.0	31.1
Depreciation	billion yen	30.1	30.5	28.9	26.5	23.9
R&D expenses	billion yen	24.8	26.3	25.2	25.0	27.9

*1 Income before income taxes = Income before income taxes and equity in net income of affiliated companies
 *2 Debt equity ratio = Interest-bearing debt / Shareholders' equity
 *3 Free cash flow = Net cash provided by (used in) operating activities - Purchases of fixed assets
 *4 Earnings per share (EPS) = Net Income attributable to KUBOTA Corp. / Weighted average number of common shares outstanding
 *5 Book-value per share (BPS) = Shareholders' equity / Number of common shares outstanding as of each balance sheet date
 *6 Return on assets (ROA) = Net income attributable to KUBOTA Corp. / Total assets (average of beginning and end of fiscal year)
 *7 Return on equity (ROE) = Net income attributable to KUBOTA Corp. / Shareholders' equity (average of beginning and end of fiscal year)

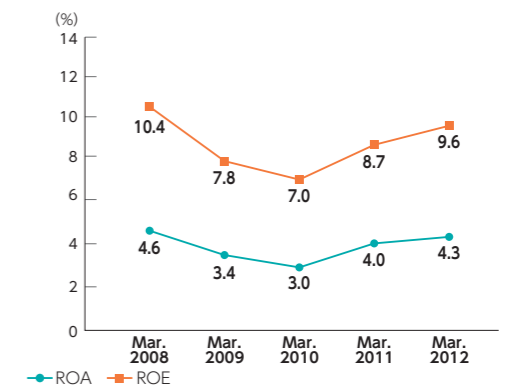
Total assets



Shareholders' equity and Shareholders' equity to total assets



ROA·ROE

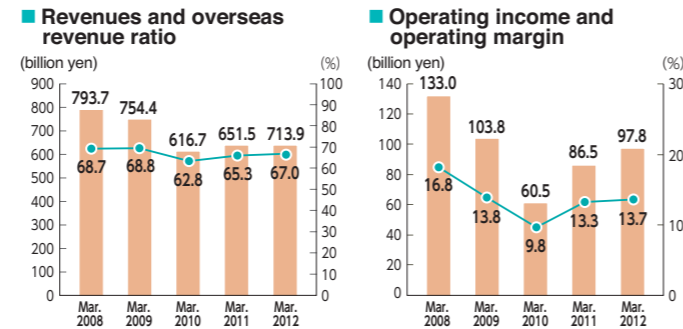


Results by Reporting Segment

Farm & Industrial Machinery

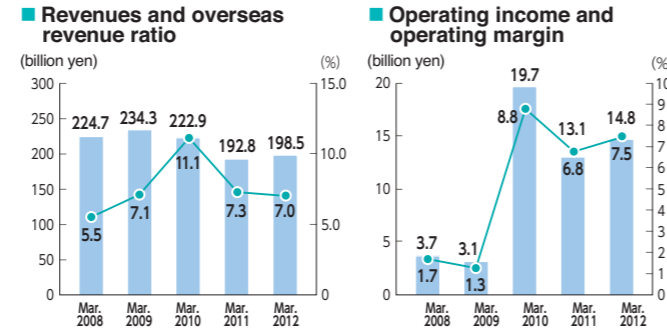
Farm & Industrial Machinery comprises farm equipment, engines and construction machinery. Revenues in this segment increased 9.6% from the prior year, to 713.9 billion yen and accounted for 70.8% of consolidated revenues. Domestic revenues increased 4.0%, to 235.4 billion yen. Domestic sales of farm equipment were at almost the same level as in the prior year. Sales of farm equipment decreased in the area affected by the Great East Japan Earthquake, while they increased in other areas. On the other hand, sales of construction machinery substantially increased due to the market recovery. Sales of engines also increased steadily. Overseas revenues increased 12.6%, to 478.5 billion yen. In North America, sales of tractors increased due to a gain in market share of KUBOTA, and sales of construction machinery significantly increased owing to market recovery and the effect of launching new products. Sales of engines also increased steadily supported by firm demand. In Europe, sales of construction machinery and engines increased

substantially due to an expansion of demand, while sales of tractors were at approximately the same level as the prior year. In Asia outside Japan, sales of farm equipment showed only slight increases, mainly due to the floods in Thailand.



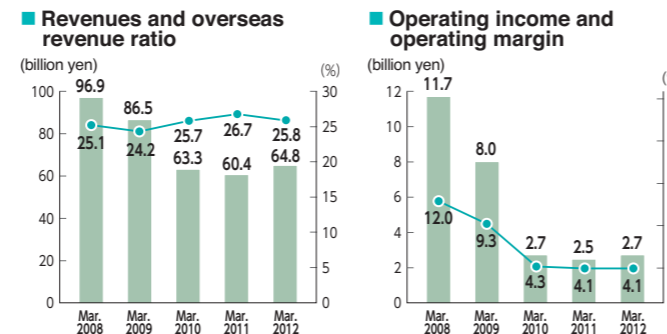
Water & Environment Systems

Water & Environment Systems comprises pipe-related products (ductile iron pipes, plastic pipes, valves and other products) and environment-related products (environmental plants, pumps and other products). Revenues in this segment increased 3.0%, to 198.5 billion yen from the prior year, and accounted for 19.7% of consolidated revenues. Domestic revenues increased 3.3%, to 184.6 billion yen. Sales of environment-related products such as water and sewage treatment equipment increased. Sales of pipe-related products were at almost the same level as the prior year. Overseas revenues decreased 1.4%, to 13.9 billion yen.



Social Infrastructure

Social Infrastructure comprises industrial castings, spiral welded steel pipes, vending machines, electronic equipped machinery and air-conditioning equipment. Revenues in this segment increased 7.2%, from the prior year, to 64.8 billion yen and accounted for 6.4% of consolidated revenues. Domestic revenues increased 8.6%, to 48.1 billion yen. Although sales of spiral welded steel pipes, electronic equipped machinery and air-conditioning equipment increased, sales of industrial castings and vending machines decreased from the prior year. Overseas revenues increased 3.4%, to 16.7 billion yen, mainly owing to increased sales of industrial castings.



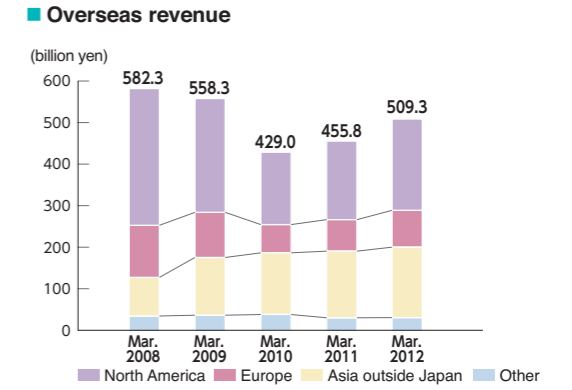
Other

Other comprises construction, services and other business. Revenues in this segment increased 6.3%, to 30.8 billion yen from the prior year, and accounted for 3.1% of consolidated revenues. Sales of other business increased, while sales of construction decreased.

Business Development

Expansion of overseas business

The expansion of overseas business is indispensable for KUBOTA's development. For further expansion, it needs to promote globalization, not just in sales, but also in production, R&D, business management systems and all other aspects of its business. KUBOTA recognized FY2012 as the "year zero" for its reincarnation as a genuinely global company, and made various efforts to accomplish that goal. Some of the specific activities are described below.



Accelerating expansion of overseas production

Production base for engines established in Thailand

Preparation for the establishment of a Thai plant aimed at producing vertical type diesel engines, which was announced in February 2011, is well underway to launch mass production in October 2012. The plant is KUBOTA's first overseas production base for vertical type diesel engines. The completion of the plant will establish an integrated production system for engines, from the production of casting components to their processing and assembly in Thailand. By supplying engines for the tractors and combine harvesters produced in Thailand, KUBOTA aims to raise the local content ratio, avoid the risk of exchange rate fluctuations associated with exports from Japan and strengthen cost competitiveness. The plant will also serve as a supply base for low-cost engines with the aim of expanding its business in emerging countries as well as in Japan, the US and Europe. KUBOTA plans to raise the production level to a maximum capacity of over 120,000 units per year by 2015 to 2016. The plant will help it meet the demand for industrial diesel engines, which is expected to increase sharply in the future.



Kubota Engine (Thailand) Co., Ltd.

Expansion of the small-sized construction machinery business in China

As the top manufacturer of mini backhoes, KUBOTA is working to increase its share in China through the expansion of local production and sales bases. For the construction machinery business in China, it established a sales company in Shanghai in 2003 and started assembly of locally-procured parts in 2009. A new production base has been recently constructed in Wuxi, China, which is scheduled to launch full-scale production activities in August 2012. The new plant aims to (1) enhance cost competitiveness, (2) avoid the risk of exchange rate fluctuations and (3) increase supply capacity to meet the expanding demand, in order to facilitate further expansion of KUBOTA's business in China. KUBOTA also expects that the new company will serve as a production base for exports to emerging countries in Asia in the future. KUBOTA's target is production of approximately 14,000 units in the plant in 2018. KUBOTA also plans to start a retail financing business in China for further business expansion.



Kubota Construction Machinery (Wuxi) Co., Ltd.

New production plant for tractors to be established in the U.S.

In November 2011, KUBOTA decided to establish a new production plant in the U.S. that can build tractors of the 40 hp class. It is scheduled for mass production to commence in January 2013 with a planned production capacity of 22,000 units per year. The North American market is the largest sales area for KUBOTA's tractor business. Since the establishment of its first overseas company to sell tractors in the United States in 1972, KUBOTA has worked to expand business in the market and now have two local plants. On the other hand, increasing competition with manufacturers in emerging countries is anticipated in the North American market in the future, and it has been an urgent task to take countermeasures. The establishment of this plant will mitigate the negative impact of the strong yen, and also allow it to gain cost advantages through the optimization of global procurement, as the new manufacturing plant will source key components not only from Japan but also from production bases in Thailand and other countries. With this plant, KUBOTA will endeavor to further expand its business in the U.S.



Ground-breaking ceremony for a new plant of Kubota Industrial Equipment Corp.

Plant in Saudi Arabia has started producing reformer tubes for the petrochemical industry

KUBOTA launched full-scale operation of a Saudi Arabian plant to produce reformer tubes for the local petrochemical industry in 2011. The plant is receiving inquiries and orders one after another from not only Saudi Arabia, but also other Arabian countries as well as Europe and North Africa. Saudi Arabia has a major ethylene company expanding its operations worldwide. In addition to cost competitiveness, quicker delivery and better services are keys to obtaining orders from the company. Taking advantage of local production, KUBOTA will compete against rival manufacturers in Europe to increase its share in the country.



Completion ceremony for Kubota Saudi Arabia Company, LLC

Locally incorporated company in the Philippines became a subsidiary

In August 2011, KUBOTA raised its investment ratio in a locally incorporated company in the Philippines from 15% to 85% to make it a subsidiary and changed the company's name to Kubota Philippines, Inc. Although the Philippines is the eighth largest rice producer in the world, the country, in which rice has been produced mainly by hand, is also the world's largest rice importer. KUBOTA will build a total agricultural machinery business, including not only horizontal diesel engines and power tillers sold by the locally incorporated company, but also combine harvesters, tractors and rice transplanters, thereby contributing to agricultural mechanization in the Philippines.

Strengthening the competitive edge of KUBOTA pumps for seawater desalination plants

With an increase in global demand for water, seawater desalination plants are being built more actively. KUBOTA began to supply high-pressure pumps improved for application in a water production system, which is the core equipment of the plants, to the market in October 2011. In addition, through further equipment development, KUBOTA plans to have a full lineup of pumps for all the four systems used in the processes of the reverse osmosis membrane method, which are intake systems, water production systems, water transport systems, and also energy recovery systems. With the full lineup, KUBOTA aims to further strengthen its competitiveness in the expanding seawater desalination market.

Developing the agricultural solution business in Japan

Japanese farmers are continuously facing severe business conditions, such as drops in rice prices and rises in the price of agricultural materials and fuel oil, as well as an aging workforce and shrinking farming households. KUBOTA has contributed to the mechanization and sophistication of agriculture through sales of agricultural machinery. Now, KUBOTA will look at the future of agricultural management in Japan, and make more efforts to develop the agricultural solution business, which aims to contribute to the improvement of agricultural business and management, in addition to sales of machinery.



Direct sowing of iron-coated seeds

The activities to which KUBOTA is currently committed include introduction of direct sowing of iron-coated seeds, as well as development of machinery dedicated to the method. This helps farmers to expand the scale of their operations while saving labor and other costs. In 2011, KUBOTA proposed this direct sowing method to the farmers affected by the Great East Japan Earthquake in the Tohoku Region in order to help them maintain farming activities with the method, which can shorten the seedling cultivation process. Meanwhile, KUBOTA will continue to develop products responding to polarization in the operation scale of farmers. For large-scale farmers, new models have been added to the "World Series" line, which offers high basic performance and durability and is distributed across Asia with common designs. The products will assist the farmers in reducing the cost of agricultural production. Moreover, KUBOTA has introduced mini tillers powered by gas cartridges to the series for kitchen gardens in an effort to broaden the users of agricultural machinery. As a next step, KUBOTA will make efforts to expand peripheral businesses including those which are usually not entered by manufacturers.

Establishment of global management structure

Globalization of business management and establishment of regional headquarters in China

KUBOTA recognizes that, for promoting the globalization of its business activities, it is an important challenge to plan and execute strategies in consideration of local conditions. In the future, KUBOTA will work to establish regional business operating systems that will make it easy to achieve the effective use of resources at the regional level, and to plan and implement management measures and policies that are suited to local conditions.

As an initial effort, KUBOTA established Kubota China Holdings Co., Ltd. (KCH) in 2011, which controls the management of its businesses in China. Capital reorganization is currently underway to control the six existing companies in China as subsidiaries of KCH. While supporting the Chinese subsidiaries in their business development, KCH is now conducting comprehensive marketing activities that cover all of China with the aim of creating a new market in the country by drawing on all the capabilities of the KUBOTA Group. Some of its new businesses are being developed with full support from KCH. KUBOTA will also promote sharing of the same company rules and integration of recruitment and training activities across the Group in order to streamline the operations of its affiliates. As part of the initiative, the previously scattered offices of three subsidiaries have been moved to the same site where the KCH office is located.

KUBOTA will make continuous efforts to establish a structure in which it can demonstrate the full capabilities such as planning of a comprehensive growth strategy with a focus on information collection and marketing functions, as well as strengthening of its capacity to execute the strategy for expansion of its business in China.

TOPICS

Orders received for water supply works in Bangladesh and Cambodia

Kubota Construction co., Ltd., which operates the construction business, received orders for water supply works in Bangladesh and Cambodia in 2011. In Bangladesh, the laying of pipelines for water supply is underway in Chittagong, the second largest city in the country, and this will contribute to improvement of the living environment and health level of its citizens. In Cambodia, KUBOTA has engaged in construction of water supply facilities for many years since constructing the water supply works in Phnom Penh in 1959. The order received in 2011 was for repair and expansion work on water supply pipelines in three provincial capitals in the rural areas of Cambodia. This work will raise the coverage of the water supply in provincial capitals in the rural areas of the country, which is only about 30% at present, and this will contribute to improvement of the living environment for the people.



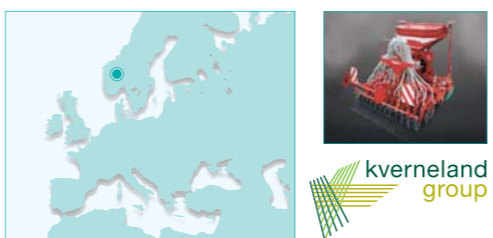
Construction contract signing ceremony in Bangladesh

Development of new markets and businesses

KUBOTA is working to penetrate into new markets and develop new businesses with growth potential in the fields of food, water and the environment.

Acquisition of a Norway-based tractor implement manufacturer

In December 2011, KUBOTA announced the acquisition of Kverneland ASA, a manufacturer of tractor implements in Norway, which then became KUBOTA's subsidiary in March 2012. Kverneland ASA has well-established brands in European regions, technological competence and a wide range of implement products. Taking advantage of this acquisition, as well as its own technologies developed in Japan, KUBOTA will introduce more large-scale machinery and dry-field farming machinery into its lineup and actively advance into dry-field farming markets, which will play major roles in increasing food supplies in the future.



Summary of Social Activities - Together with Society

The KUBOTA Group is promoting activities that satisfy the needs of various stakeholders and enhance its corporate value through implementing the PDCA cycle for each subject.

Summary of the Fiscal 2012 Social Report, Priority Issues for Fiscal 2013 and Medium-Term Targets

⊙ Target exceeded ○ Target reached △ Portion of target not reached ✕ Target not reached

KUBOTA's response to the asbestos issue

KUBOTA recognizes sincerely that asbestos-related diseases have occurred among local residents and employees in the vicinity of the former Kanzaki Plant. From the standpoint of fulfilling its social responsibility as a company that handled asbestos in the past, KUBOTA needs to continue tackling this problem with sincerity in the future.

- As of March 31, 2012 relief payments had been made to 232 individuals pursuant to the internal policy of the "Relief Payment System for the Asbestos-Related Patients and the Family Members of the Deceased near the Former Kanzaki Plant."
- KUBOTA employees, including those already retired, suffering from asbestos-related diseases comprised a total of 181 persons as of March 31, 2012, of whom 158 are deceased and 23 are undergoing treatment.
- KUBOTA has provided financial support for clinical and basic research projects conducted by Hyogo College of Medicine.

Main focus of activity	Plan	Do	Check	Action	Page	Plan
	Priority issues for FY2012 (From April 2011 to March 2012)	Activities in FY2012 (From April 2011 to March 2012)	Self-evaluation	Priority issues for FY2013 (From April 2012 to March 2013)		Medium-term Targets
Quality and Services to Improve Customer Satisfaction	<ul style="list-style-type: none"> Improving capacity to respond to inquiries by phone, E-mail, etc. Expanding the range of user questionnaire content 	<ul style="list-style-type: none"> Added members to the inquiry reception staff and accumulated know-how regarding responses Increased the types of questionnaires and conducted them 	○	<ul style="list-style-type: none"> Improving internal operations based on comments from customers Enhancing coordination between services and parts to improve capacity to respond to inquiries 	27-28	<ul style="list-style-type: none"> Improvement of internal operations based on comments from customers Improvement of capacity to meet customer needs including inspections and maintenance
	<ul style="list-style-type: none"> Compiling a checklist for audit purposes based on the quality assurance system and conducting on-the-spot audits Ongoing provision of education in the fields of quality control and product safety 	<ul style="list-style-type: none"> Complied a checklist for the quality assurance affairs in each step of the quality assurance system and conducted on-the-spot audits Provided education in the fields of quality control and product safety through the basic courses on quality assurance 	○	<ul style="list-style-type: none"> Conducting quality audits to check activities to prevent quality problems Continuing application of quality engineering to the whole company Inspecting the content of education and continuing to provide the education 		<ul style="list-style-type: none"> Strengthening activities to prevent quality problems Further improvements in quality control and product safety education
Timely and Appropriate Release of Information	<ul style="list-style-type: none"> Promotion of IR activities taking account of the effects of the earthquake disaster, etc. Promotion of IR activities reflecting business trends and changes in the business environment Further improvements in general meetings of shareholders 	<ul style="list-style-type: none"> Released information on the effects of the earthquake disaster, impact of the floods in Thailand and provision of support in a timely manner at results briefings, etc. Actively responded to inquiries and sent information to investors Provided information in an understandable manner through the exhibition of major products, the use of large screens, reports by narrators, etc. 	○	<ul style="list-style-type: none"> Implementation of proactive IR activities to help shareholders and investors understand KUBOTA's businesses Further improvements in general meetings of shareholders 	29	<ul style="list-style-type: none"> Promotion of IR activities aimed at achieving an appropriate share price that reflects the real state of the company Earning trust of stakeholders and expanding the range of stable shareholders by means of appropriate release of information
	<ul style="list-style-type: none"> Improving global website (creation of area sites in the languages of the main business regions) Strengthening global PR (transmission overseas) 	<ul style="list-style-type: none"> Produced websites for the five countries of China, the United States, Thailand, Canada and Vietnam Launched a corporate advertising campaign using SNS 	○	<ul style="list-style-type: none"> Enhancing the website for each overseas region for continuous improvement of online communication 		<ul style="list-style-type: none"> Building a system for generating information from the KUBOTA Group including overseas regions
As a Partner to Grow Together	<ul style="list-style-type: none"> Encouraging implementation of the objective of CSR Guidelines on the part of KUBOTA's suppliers (application to KUBOTA Group suppliers in Japan) 	<ul style="list-style-type: none"> Encouraged KUBOTA's suppliers to implement the objective of CSR Guidelines (applied the guidelines to suppliers of the KUBOTA Group in Japan) 	○	<ul style="list-style-type: none"> Preparing for application to overseas suppliers (conducting surveys on actual conditions for the application) 	30	<ul style="list-style-type: none"> Encouraging practical application of the objective of CSR Guidelines among suppliers associated with each company in the KUBOTA Group and spreading CSR procurement
Respecting Human Rights and Promoting Diversity	<ul style="list-style-type: none"> Strengthening the human rights education and consultation system Examining activities in the light of international human rights guidelines 	<ul style="list-style-type: none"> Strengthened the education and consultation system in domestic affiliates including sales companies Encouraged overseas affiliates to comply with human rights-related laws and to develop the consultation system 	○	<ul style="list-style-type: none"> Prevention of harassment, and maintenance and improvement of the capacity to resolve harassment in the KUBOTA Group in Japan Examining how to provide human rights education based on the results of a survey of the human rights situation in overseas affiliates 	31	<ul style="list-style-type: none"> Attempting to diffuse educational activities in human rights on the part of the KUBOTA Group at home and abroad
	<ul style="list-style-type: none"> Study and promotion of measures aimed at the further promotion of activities by women centering on the activities of K-Wing (see p.31) Ascertaining tasks with a view to applying the perspective of diverse working methods to foreigners as well as to women 	<ul style="list-style-type: none"> Expanded existing systems and introduced new systems such as leave to attend school events for children, etc. Examined carrier support measures based on comments from foreign employees and their superiors 	○	<ul style="list-style-type: none"> Continuously promoting activities by women centering on the activities of K-Wing, and examining measures to encourage male employees to participate in child rearing and to support the activities of foreign employees 		<ul style="list-style-type: none"> Continuing efforts to promote diversity management Examining measures to develop a corporate culture that brings out the potential of employees and motivates them regardless of gender, nationality, age, etc. in the progress of globalization
Maximize our Human Resources by the Appointment and Training to Support our Global Business Development	<ul style="list-style-type: none"> Strengthening efforts to develop global human resources Strengthening development of executive officer candidates who will play major roles in the future 	<ul style="list-style-type: none"> Implemented strategic personnel transfers, improvement of the trainee system and review of the training programs Revised Part I and II of K'ei Jyuku (see p.32) in a comprehensive manner 	○	<ul style="list-style-type: none"> Expanding and improving the measures to recruit, train and utilize the human resources that can play active roles globally Promoting the establishment and application of the "KUBOTA Global Human Resource Management Basic Policy" 	32	<ul style="list-style-type: none"> Recruitment and training of human resources to "construct an energetic corporate climate that welcomes challenge and values creativity"
Creating a Physically and Mentally Healthy Work Environment	<ul style="list-style-type: none"> Continuing measures aimed at maintaining and promoting health Strengthening mental health measures among labor and management 	<ul style="list-style-type: none"> Took measures aimed at maintaining and promoting health in all offices Incorporated issues related to mental health into the management policies and health and safety policies, and held meetings with the responsible members of labor-management committees 	○	<ul style="list-style-type: none"> Promoting specific measures based on the "KUBOTA Mental Health Development Action Plan" in addition to information sharing and consultation in labor-management committees 	33	<ul style="list-style-type: none"> Aiming to create a vibrant work environment that enables everyone in the KUBOTA Group to live healthy and satisfying lives
Creating a Safe Workplace for All Employees	<ul style="list-style-type: none"> Promoting basic safety by means of ongoing measures applicable to equipment Reviewing rules and standards applying to health and safety and adopting a thorough approach to training and compliance Improving the quality of risk assessment and securing the foundations for hazard prediction activities 	<ul style="list-style-type: none"> Promoted fundamental safety through focused measures applicable to equipment on an ongoing basis Reviewed standards and rules and provided education to ensure thorough compliance Conducted audits to check and follow up on efforts, and promoted activities to eliminate sources of risks in advance at exchange meetings between offices, etc. 	○	<ul style="list-style-type: none"> Promoting focused measures to ensure fundamental safety of equipment on an ongoing basis Continuing measures for compliance with the rules and developing safety activities directing attention to "operations that are difficult to control" Conducting risk assessments to enhance the sense of safety among all employees and risk prediction activities on an ongoing basis 	34	<ul style="list-style-type: none"> Creating safe workplaces by strengthening the PDCA cycle in connection with health and safety risk management
Contributing to International and Local Societies	<ul style="list-style-type: none"> Assistance with recovery from the Great East Japan Earthquake Encouraging the implementation of KUBOTA e-Project (see p.35) overseas 	<ul style="list-style-type: none"> Provided monetary donations and construction machinery, restored infrastructure and supplied engines and tractors for practical training to occupational high schools Continued to give support to well construction works in India and completed the third well 	○	<ul style="list-style-type: none"> Pursuit of continuous social contribution related to business activities Encouraging the implementation of KUBOTA e-Project overseas (Considering support in the agricultural field centering on Asia) 	35-38	<ul style="list-style-type: none"> Promotion of activities in global areas Establishment of medium-term targets

* For items on internal relations, see the Management section on p.17, and for environmental items, see the Environmental Report section on p.42.

Quality and Services to Improve Customer Satisfaction

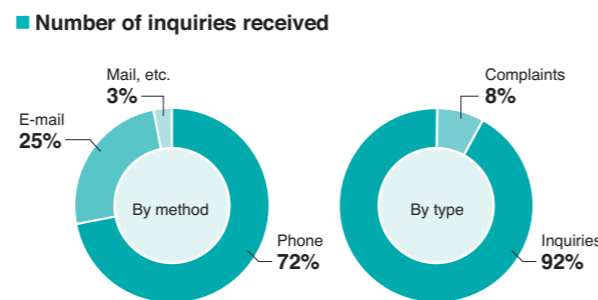
The KUBOTA Group will live up to the trust of its customers with reliable quality and a wide range of services.

Background for activities	Targets for FY2012	Priority items for FY2013
<ul style="list-style-type: none"> Ensuring product safety and offering products, technologies and services that meet customer needs to win customer satisfaction and confidence 	<ul style="list-style-type: none"> Improving the capacity to respond to inquiries by phone and email Application of quality engineering to the whole company in order to prevent quality problems Further improvements in quality control and product safety education 	<ul style="list-style-type: none"> Enhancing coordination between service divisions and parts centers to improve the capacity to respond to inquiries Increasing the coverage of ongoing quality audits among overseas affiliates and conducting on-the-spot audits Continuous application of quality engineering to the whole company Providing continued education on quality control and product safety

Efforts in FY2012

Response at the customer center

The domestic agricultural machinery customer center is KUBOTA's consultation office on agricultural machinery for customers in Japan. Its dedicated team started to provide consultation services at the center in January 2010. The main jobs are (1) response to inquiries from customers, (2) surveys of the purchasers of its main models regarding customer satisfaction and (3) support of the dealer network in the improvement of customer satisfaction. KUBOTA is handling the questions and problems of individual customers. As the voice of customer thus received directly at the Home Office of KUBOTA, which is a manufacturer, is fed back to related departments, it is effectively used for the improvement of their operations and services as well.



Quick supply structure with parts centers

For KUBOTA's customers that the Company supplies with agricultural machinery, it is crucial to perform farm work efficiently based on decisions made concerning the growth of the crops, weather, market conditions, etc. The supply of parts for the maintenance of the machinery plays a very important part in such efficient farming. KUBOTA maintains a prompt delivery rate of 99% through the expansion of inventory based on demand forecasting and enhancement of the supply structure. For further improvement of the parts service level, it is committed to logistics management and improvement activities on a daily basis.



Kubota Life Kyushu Co., Ltd. founded to develop nursing care business in provincial cities and rural areas

KUBOTA founded Kubota Life Kyushu Co., Ltd. in Kumamoto Prefecture in September 2011 to enter the nursing care business. In April 2012, Kubota Life Kyushu opened an outpatient long-term care service provider* that incorporates gardening and agricultural work into its program. Behind this commitment is the rapid aging of the population in Japan, especially in rural areas where people tend to settle. While KUBOTA has been deeply involved in rural areas through mechanization of agriculture for many years, this new business is regarded as part of its CSR activities to help these areas solve their various problems. We will develop a characteristic nursing care business unique to KUBOTA.



* Outpatient long-term care service provider
A type of welfare facilities for the aged defined in the Long-Term Care Insurance Act. It is also called a day-service center.

Product recall information

- Recall of combines: 2 models, 1,846 units in total (Recall notification number: 2905 / Recall start date: March 2, 2012)
- Recall of tractors: 7 models, 735 units in total (Recall notification number: 2934 / Recall start date: June 1, 2012)

For further information, see: <http://www.kubota.co.jp/important/index.html>. (Japanese only)

KUBOTA Group Technical Skill Contests

On February 25, 2012, the 1st KUBOTA Group Technical Skill Contests were organized at the Sakai Plant and the Hirakata Plant. About 1,000 people including spectators attended the event, and 132 contestants including 113 from domestic bases of the KUBOTA Group and 19 from overseas bases competed to demonstrate the fruits of their daily efforts to improve their skills.



KUBOTA Group Technical Skill Contests



Thorough improvement based on the "5-Gen" principle

Manufacturing at KUBOTA is based on the "5-Gen" principle [Gen-ba (Actual Site), Gen-butsu (Actual Things), Gen-jitsu (Actual Facts), Gen-ri (Principles) and Gen-soku (Basic Rules)] to promote improvement activities. In 2002, KUBOTA launched a training school called "5-Gen Dojo" to develop human resources that can practice the "5-Gen" principle. To date, approximately 1,400 persons including more than 100 from outside Japan attended the classes to inherit KUBOTA's Spirit for manufacturing. The "5-Gen Dojo" aims to enable the trainees to double their production efficiency when they return to their workplace after completing the one-week curriculum. In FY2012, KUBOTA started full-scale on-site guidance sessions at local sites of overseas affiliates in order to develop and establish the principle on a global scale.



"5-Gen Dojo" (overseas plant guidance session)

Training in the "5-Gen Dojo"

		2002	2003	2004	2005~2008	2009	2010	2011	
Mandatory training	Clerical								
	Newly-appointed section managers								
	Mid-career engineers								
	Technical								
Selective training	Newly appointed foremen								
	Newly appointed supervisors								
	Shihandai (Kaizen Master) course								
	Karakuri teacher course								
	Overseas plant education	China							
		Thailand							
		U.S.							
		Indonesia							
	Business partner education								
	Sales and service education								
Manager education									
Practice supervisor education, etc.									
(Cast metal) 5-Gen course									

→ Farm & Industrial Machinery Domain → Water & Environment Domain
→ Whole company

Improvement of new employee (trainee) education

Under the policy of "no manufacturing without human resource development," KUBOTA is committed to education of the new employees who will engage in manufacturing at production sites. The current trainee system, which was launched in 1975, provides a residential training course for approximately one year at the two training centers in Sakai and Hirakata in Osaka Prefecture. The training curriculum is mainly composed of "technical and skill training," "practical training at production sites" and "personality development training." Throughout the training period, the trainees learn the basics as members of society and as new employees. This system is highly appreciated by visitors of the training centers including high school teachers.

History of KUBOTA's education programs (for technical staff)

Youth school	since 1936	Intern system	since 1958
Apprentice system	since 1951	Trainee system	since 1975



Training center (practical lesson)

Timely and Appropriate Release of Information

The KUBOTA Group is committed to prompt and enhanced disclosure of corporate information and making efforts to release information in a transparent and sincere manner.

Background for activities <ul style="list-style-type: none"> • Increase in the ratio of shares held by foreign shareholders, and growing demand for disclosure of CSR information (expansion of the SRI* market) • Growing interest and demand from overseas stakeholders with the increase of the overseas sales ratio to more than 50% 	Targets for FY2012 <ul style="list-style-type: none"> • Promotion of IR* activities aimed at achieving an appropriate share price that reflects the real state of the company • Expanding the range of stable shareholders by means of appropriate release of information • Disclosure of ESG** information • Establishing the methods for sending information tailored to the conditions of each overseas region 	Priority items for FY2013 <ul style="list-style-type: none"> • Promotion of prompt disclosure of information • Improvement of the website for each overseas region
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Efforts in FY2012

Activities for shareholders and investors

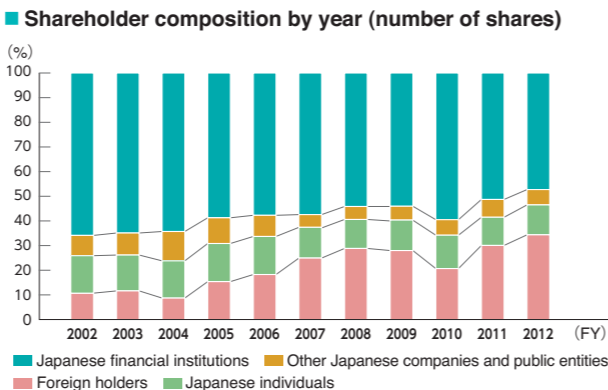
KUBOTA is actively communicating with its shareholders and investors through constructive IR activities, while conducting fair and prompt disclosure. It works hard to form a broad shareholder base through activities such as briefings to explain the consolidated financial results and other matters, meetings with investors and securities analysts and plant tours. Since its listing on the New York Stock Exchange in 1976, KUBOTA prepares financial reports according to generally accepted accounting principle in the U.S. It is presenting reports that explain accounts, including asset securities reports, quarterly reports, earnings releases and Form 20-F (annual report submitted to the SEC* in the U.S.), as well as other materials prepared both in Japanese and English, including KUBOTA REPORT, presentation materials of financial results, share and bond information and news releases. These are available on its website so that investors can view them easily anytime.



Briefing to explain the consolidated financial results

KUBOTA is listed in major SRI indexes

Dow Jones & Company, Inc. Morningstar Japan K.K.



Holding shareholders meetings in an easy-to-understand manner

At shareholders meetings of KUBOTA Corporation, which are attended by many shareholders every year, KUBOTA makes various efforts based on recognition that these meetings give the Company precious opportunities to directly communicate with its shareholders. The meetings are held at its Head Office so that the attendants can feel close to KUBOTA, and its products such as tractors, combine harvesters and rice transplanters are exhibited in front of the venue. The Company also presents the results of its business activities for the past year with visual materials and professional narration. The President directly explains the issues and challenges KUBOTA will tackle to the attendants in an easy-to-understand manner.

Global website

With the objectives of achieving total optimization from global management, enhancing convenience for website visitors and improving the corporate brand, KUBOTA has opened its global website aimed at outlining the whole KUBOTA Group around the world. It not only translates the Japanese pages, but has created webpages for China, the U.S., Thailand, Canada and Vietnam as well, with the goal of presenting the original content suitable for each country and region. In the future, it will improve the website based on the understanding of the needs and circumstances in each country.



As a Partner to Grow Together

The KUBOTA Group is cooperating with business partners to promote the CSR management that contributes to social development and conservation of the global environment.

Background for activities <ul style="list-style-type: none"> • Customers are increasing their interest in the whole business process in which products and services are created, in addition to the quality and performance of products. 	Targets for FY2012 <ul style="list-style-type: none"> • Encouraging implementation of the objective of Guidelines on the part of KUBOTA's suppliers • Application to the KUBOTA Group suppliers in Japan 	A priority item for FY2013 <ul style="list-style-type: none"> • Preparing for application of CSR procurement to overseas suppliers (Conducting surveys of actual conditions for the preparation)
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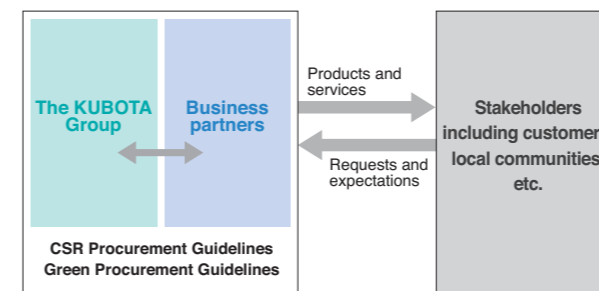
Efforts in FY2012

Purpose of the establishment of CSR Procurement* Guidelines

In addition to the quality and performance of products of the KUBOTA Group, its customers are increasing their interest in "how they are produced," or in other words, the whole business process in which products and services are created. To meet this growing interest, KUBOTA shares common recognition on CSR with its business partners, who play important roles in its CSR activities, and makes efforts in cooperation with them.

Penetration of the CSR Procurement Guidelines

KUBOTA Corporation has applied the guidelines to its suppliers in Japan since 2011, and started to apply them to the Japanese suppliers of its domestic affiliates in 2012. When renewing the master transaction agreement with business partners on a roughly annual basis, the Company confirms their consent to its CSR Procurement Guidelines. Although it needed to invest considerable effort to share recognition initially after the introduction, the system to confirm their consent has helped raise the awareness of both the Company and its business partners.



Outline of the CSR Procurement Guidelines

- 1. Winning Customer Satisfaction**
Business partners are requested to seek ways to win customer satisfaction and confidence by working to ensure product safety and offering products, technologies and services that meet customer needs.
- 2. Conducting Corporate Activities Based on Compliance with Legal Regulations and Ethical Principles**
Business partners are requested to conduct their corporate activities while observing the letter and spirit of legal regulations applicable to their business operations, in accordance with ethical social principles and good conscience.
- 3. Respecting Human Rights**
Business partners are requested to base their activities on the Universal Declaration of Human Rights, to respect human rights, and not to violate human rights. Moreover, the business partners are requested to respect the privacy of individuals and to work to protect personal information.
- 4. Creating a Safe and Vibrant Work Environment**
Business partners are requested to maintain a safe and healthy working environment and to work toward improving workplace conditions. In addition, they are requested to respect the diversity and creativity of their employees and to promote vibrant work environments.
- 5. Preserving the Global and Local Natural Environments**
Business partners are requested to aim to create a society where sustainable development is possible on a global scale and to conduct their operations with concern for preserving the natural environment.
- 6. Achieving Symbiosis with International and Local Societies**
Business partners are requested to respect the culture and customs of all countries and regions and to seek to build relationships of trust through communication with local societies, while also working to be good corporate citizens.
- 7. Fulfilling Responsibilities for Improving Management Transparency and Accountability**
Business partners are requested to make appropriate and timely disclosure of corporate information and to fulfill their responsibilities for transparency and accountability in corporate activities.

Respecting Human Rights and Promoting Diversity

The KUBOTA Group respects the personality of each of its employees and is working to build a system to ensure that they can demonstrate their own potential to the fullest.

Background for activities <ul style="list-style-type: none"> It is necessary to establish a system where a wide range of human resources can exchange a wide range of opinions, put their heads together and join forces in order to respond to changes in the business environment. 	Targets for FY2012 <ul style="list-style-type: none"> Strengthening the human rights education and consultation system Examining activities in the light of international human rights guidelines Promoting support for female employees in demonstrating their full abilities Supporting specified subsidiaries 	Priority items for FY2013 <ul style="list-style-type: none"> Prevention of harassment, and maintenance and improvement of the capacity to solve problems Survey of the situation on human rights in overseas bases Continuous support for female employees in demonstrating their full abilities Participation of male employees in child rearing Encouragement of foreign employees to demonstrate their full abilities
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Efforts in FY2012

Efforts to respect human rights

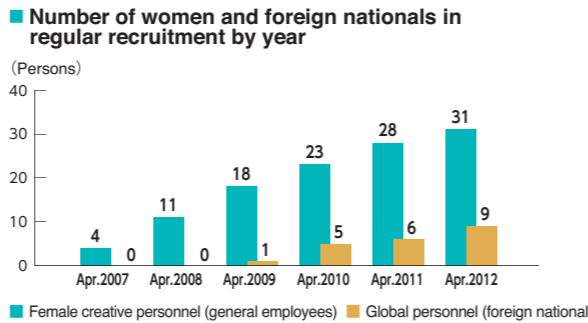
The KUBOTA Group bases its activities on the Universal Declaration of Human Rights and respects human rights. The Group does not discriminate or cause violations of human rights on the basis of nationality, age, gender or for any other reason whatsoever, and it does not permit forced labor or child labor. To this end, it makes efforts to raise awareness of human rights, respect international human rights guidelines and ensure thorough compliance with relevant laws in the respective countries and regions.



K-Wing study session for career formation

Initiatives for diversity management

As part of its efforts to help female employees demonstrate their full abilities, KUBOTA supports their career formation, especially through the activities of K-Wing (Kubota Women's Initiative Diversity Network & Group). It is actively assisting all employees in balancing their work and personal lives as well. The efforts in FY2012 focused on the establishment of clear future career visions for the K-Wing members mainly through the Group's activities. A theme for the activities was set for each member to meet her specific needs. KUBOTA is also recruiting increasingly more women and foreign nationals as the general employees who will play active roles in KUBOTA in the future.



Creating workplaces for disabled persons

KUBOTA has founded two specific subsidiaries, Kubota Works Co., Ltd. and Kubota Sun-Vege Farm Co., Ltd., and operates them to create jobs and a work environment for disabled persons. Kubota Sun-Vege Farm Co., Ltd. engages in hydroponic cultivation of safe and reliable vegetables with the aims of seeking to promote the independence of persons with disabilities and their coexistence with local communities, as well as using abandoned cultivated fields to support the stimulation of agriculture in Japan. The vegetables produced by the company are not only used by the cafeterias of the Head Office and sold internally, but are also marketed in supermarkets in Osaka Prefecture.



Kanan Farm of Kubota Sun-Vege Farm Co., Ltd.

Maximize our Human Resources by the Appointment and Training to Support our Global Business Development

The KUBOTA Group will strengthen the appointment and training of human resources that can play active roles globally in order to respond to globalization of its business activities.

Background for activities <ul style="list-style-type: none"> With an increase in the overseas sales ratio, development of human resources to support our global business development is an urgent task. 	Targets for FY2012 <ul style="list-style-type: none"> Strengthening efforts to develop global human resources Strengthening development of executive officer candidates 	Priority items for FY2013 <ul style="list-style-type: none"> Expanding and improving the measures to recruit, train and utilize the human resources that can play active roles globally Promoting the establishment and application of the "KUBOTA Global Human Resource Management Basic Policy"
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Efforts in FY2012

Increasing local management to respond to global business activities

To accelerate global business activities, KUBOTA is promoting the appointment of local management to deal with local cultures and business practices in a timely manner. In addition, KUBOTA is trying to share original techniques and corporate principles with local employees and expand its global business activities.



VOICE

We put the trust of our users and dealers above anything else.

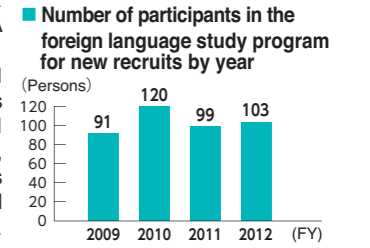
I had a wide range of responsibilities with a large North American agricultural supplier before I was invited to join Kubota Canada Ltd. (KCL). KCL provided me with both an opportunity and an environment to play significant roles that called on this experience and broader perspective to help our dealer network evolve. The KUBOTA Group has built a solid brand in Asia, North America and Europe through innovative design and world-class manufacturing. I believe that, as much as we have already accomplished, our future potential at KUBOTA is even bigger and brighter as food, water and the environment become increasingly more important to the world.

Developing the managers of the next generation at K'ei Jyuku

As part of its initiatives to train the executive officer candidates of the next generation, KUBOTA Corporation operates a selective training program called "K'ei Jyuku" (Kubota Entrepreneur Incubation Program) to develop human resources that are expected to have abilities to play active roles both in Japan and abroad. The training program is designed to cultivate human resources that can proactively identify challenges with sophisticated strategic thinking (business leaders who can establish the vision, gain competitive advantage over competitors and create high-value added businesses) and to develop their abilities to examine the whole business from the perspectives of customers, competitors and the Company in a balanced manner. Twenty trainees were selected in FY2012 from among those who were promoted to senior positions (managerial positions) during FY2011 and FY2012.

Foreign language education for new recruits

To help young employees improve their language skills and abilities to adjust to different cultures, KUBOTA Corporation provides all new recruits with a foreign language study program in which they stay abroad for about a month with host families. The participants also visit local bases of the KUBOTA Group. Launched in 2008, the program has been used by approximately 450 persons in total. In the future, it will work to improve the program by, for example, sending employees overseas after they have learned basic language skills in Japan.



Improvement of trainee systems

KUBOTA Corporation has been sending 5 to 10 employees abroad as trainees every year since 1997. To further promote development of international human resources, it will increase the number of persons sent in FY2013. It is also receiving trainees from overseas subsidiaries. In FY2012, one trainee was sent from SIAM KUBOTA Corporation Co., Ltd. to the procurement department of KUBOTA Corporation.



Trainees in Kubota Europe S.A.S.

Creating a Physically and Mentally Healthy Work Environment

The KUBOTA Group is committed to the establishment of a healthy corporate climate in which all employees can balance work and life.

Background for activities <ul style="list-style-type: none"> Maintenance of a safe and healthy working environment and improvement of workplace conditions 	Targets for FY2012 <ul style="list-style-type: none"> Maintaining health promotion activities Strengthening the company-wide system to respond to mental health issues 	Priority items for FY2013 <ul style="list-style-type: none"> Thoroughly implementing follow-up measures after regular health checkups Holding meetings of persons in charge of mental health promotion in addition to labor-management committee meetings, and establishing guidelines
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Efforts in FY2012

Efforts to promote work-life balance

KUBOTA Corporation has formulated various ideas based on the Act on Advancement of Measures to Support Raising Next-Generation Children* so as to enable employees to work in a manner in harmony with their private lives. Its efforts along these lines were officially recognized, leading to receipt of "Kurumin" mark (Next Generation Recognition Mark) in 2009 and 2011.



Action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children

- Encouraging acquisition of a childcare leave program by male employees
 - Adoption of a system under which employees who are raising children can take time off to attend school events, etc.
 - Introduction of a system that allows employees to take leave in half-day units to care for sick children
- Term of plan: April 1, 2011 to March 31, 2013 (two years)

Introduction and expansion of systems (from March 16, 2012)

Childcare-related systems

- Granting a part of childcare leave as paid leave
- Introducing leave to attend school events, etc.
- Introducing a system that allows employees to take leave in half-day units to care for sick children

Nursing care-related systems

- Extending the period when nursing care leave can be taken
- Introducing a system that allows employees to take short-term nursing care leave in half-day units
- Extending to two years the period during which the systems for reduced working hours, flex-time and starting work later or ending work earlier can be used

Leave systems and number of users

Childcare-related	Childcare leave	100%
	Shorter hours working system	98 persons
	Leave to care for sick children	184 days in total
Nursing care-related	Nursing care leave	4 persons
	Short-term nursing care leave	103 days

Mental health and counseling services

KUBOTA will establish specific methods for mental health promotion activities, announce measures to help its employees develop good mental health and to fulfill its responsibility for paying attention to safety as one of its business tasks and for vigorously promoting these measures.

Talk with the President

KUBOTA Corporation provides the employees who have been promoted to senior positions (managerial positions) with an opportunity to directly talk with the President. This event aims to raise their awareness in senior positions (managerial positions), to motivate young employees to have a spirit of challenge and to develop a corporate culture where they can freely express their career goals.



Shizuo Matsuzawa, Farm Machinery Overseas Sales Department, KUBOTA Corporation

The one-month childcare leave was very significant to me.

I took childcare leave for one month because I had to take my first son to and from his kindergarten, but no relative that I could rely on lived in the neighborhood. I had precious time with my family, which also helped prepare the first son to accept the second son. Above all, I was able to help my wife reduce her burden, which was the biggest benefit. I appreciate this system and also thank my colleagues in the workplace for their cooperation.

Creating a Safe Workplace for All Employees

The KUBOTA Group is making efforts to ensure thorough health and safety management and create a more comfortable workplace environment where all employees can work with a sense of security.

Background for activities <ul style="list-style-type: none"> Maintenance of a safe and comfortable working environment and improvement of workplace conditions 	Targets for FY2012 <ul style="list-style-type: none"> Promoting basic safety by means of ongoing measures applicable to equipment Reviewing rules and standards applying to health and safety and adopting a thorough approach to training and compliance Improving the quality of risk assessment and securing the foundations for hazard prediction activities 	Priority items for FY2013 <ul style="list-style-type: none"> Promoting focused measures to ensure fundamental safety of equipment on an ongoing basis Continuing measures for compliance with the rules and developing safety activities directing attention to "operations that are difficult to control" Conducting risk assessment to enhance the sense of safety among all employees and risk prediction activities on an ongoing basis
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Efforts in FY2012

Occupational health and safety activities to pursue high goals

KUBOTA's occupational health and safety goals have been set with reference to the safety values used by the Japan Automobile Manufacturers Association, which is said to be the most advanced organization in terms of safety management in Japan. To pursue the goals, it is developing activities in a deliberate manner to prevent occupational accidents based on its occupational health and safety management system.

Efforts to enhance a sense to detect danger

KUBOTA's offices are working to establish training facilities where dangerous situations are simulated and experienced by employees. For example, trainees fall from a high place and get a chopstick in a machine instead of a finger. In this way, the Group is making efforts to teach the importance of following safety rules.

Improving health and safety management levels throughout the Group both in Japan and overseas

Efforts being made to improve health and safety at individual locations are followed by health and safety audits centered on the workplace in an attempt to raise health and safety management levels throughout the KUBOTA Group, both inside Japan and overseas.



Audit at Kubota Metal Corporation

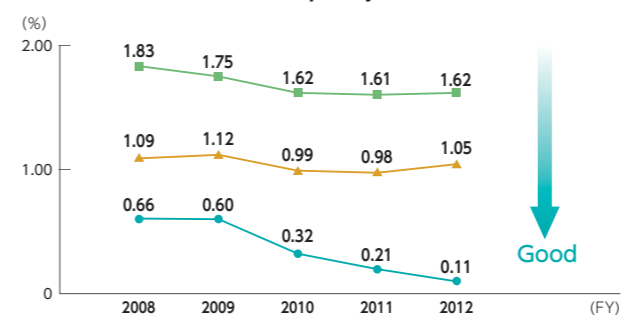


Audit at SIAM KUBOTA Corporation Co., Ltd.



Training program to simulate and experience dangerous situations

Trends in the accident frequency rate



Legend:
 - Average for all industries in Japan (Source: Ministry of Health, Labour and Welfare)
 - Average for the manufacturing industry in Japan (Source: Ministry of Health, Labour and Welfare)
 - KUBOTA Corporation

* Act on Advancement of Measures to Support Raising Next-Generation Children
 The law aims to develop a work environment more friendly to employees who are about to give birth or who are engaged in raising the children in whose hands the future lies. On the basis of this law, owners of businesses are obliged to draw up a plan of action in connection with creating the employment conditions needed to allow their employees to combine work with child-rearing and for diversifying working conditions in such a way that people will think again about how they actually work.

Contributing to International and Local Societies

As a member of global and local societies, the KUBOTA Group continues making contributions to the realization of sustainable societies with technology and human resources.

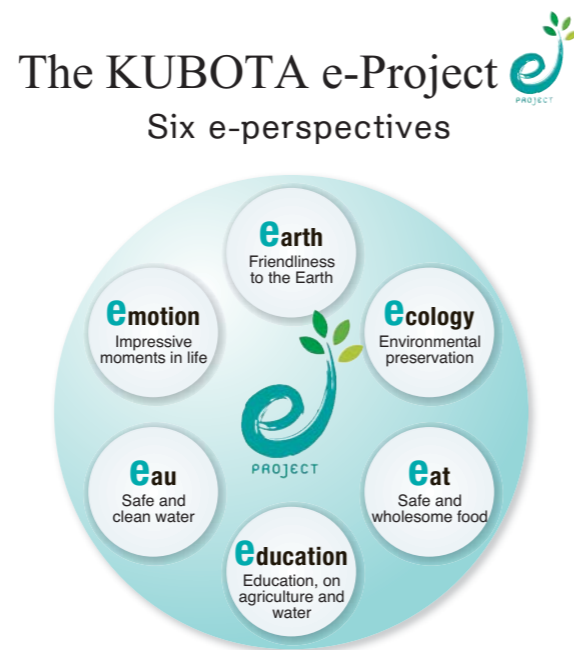
<p>Background for activities</p> <ul style="list-style-type: none"> As the responsibility of a business that is involved in the areas of food, water and the environment, the KUBOTA Group conduct various activities in order to solve social problems. 	<p>Targets for FY2012</p> <ul style="list-style-type: none"> Reconstruction assistance in response to the Great East Japan Earthquake Promoting overseas development of KUBOTA e-Project 	<p>Priority items for FY2013</p> <ul style="list-style-type: none"> Pursuit of continuing social contributions that are relevant to business Promoting overseas development of KUBOTA e-Project
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Efforts in FY2012

Promoting social contribution activities "KUBOTA e-Project" on a group-wide basis

The KUBOTA Group feels that it is able to persist in its business activities because of the support and recognition received from all of its stakeholders. Therefore, it is promoting social action programs from six "e" perspectives in order to work toward solving social problems related to the business domain of "food, water and the environment."

- KUBOTA e-Project activities**
- Support for the restoration of abandoned farmland
 - KUBOTA GENKI Agriculture Experience Workshop
 - Support for the production of bio-fuel crops
 - Developing regional brands, advertising farm fresh crops
 - Introduction of the activities of farmers with vision
 - KUBOTA e-Day Volunteer Program
 - Improving global water environments
 - "UCHIMIZU" solution for heat island
 - Water Cycle Education Program
 - Kubota Sun-Vege Farm Co., Ltd.
 - KUBOTA TERRA-KOYA(educational camp)
 - Academy of Science and Environment



Support for the restoration of abandoned farmland

To help eliminate abandoned farmland around Japan, KUBOTA extends support to part of the farmland restoration and improvement activities (mowing, tillage, leveling, etc.) and crop cultivation activities (sowing, intermediate management, harvesting, etc.) by offering agricultural machinery. In FY2012, it gave such support in 16 locations nationwide.



Scene of abandoned farmland being rejuvenated

KUBOTA GENKI Agriculture Experience Workshop

KUBOTA Corporation and its agricultural machinery sales companies all over Japan have been organizing the KUBOTA GENKI (= active) Agriculture Experience Workshop to provide children with opportunities to experience rice farming. This program aims to deepen understanding of agriculture and promote the emotional well-being of children through rice growing agricultural experiences such as rice transplanting and rice harvesting. In FY2012, the workshop was organized in nine locations across Japan.



Children watching an operation with a combine harvester

Local cleanup efforts on the "KUBOTA e-Day"

Employees in the KUBOTA Group's business sites around Japan are also committed to local cleanup activities as volunteers. Each business site performs volunteer activities tailored to local conditions, and the employees do what they can, such as mowing in agricultural waterways and rivers, as well as cleanup in parks, green areas and the neighborhood of the business site. In this initiative, which has been continued since 2008, KUBOTA aims to do its best to offer steady and continuous support to local communities, even if the contribution of each activity may be small. In 2011, approximately 7,300 employees participated in the volunteer activities.



Volunteers on the KUBOTA e-Day

Social contributions overseas

KUBOTA is making efforts to improve water regimes in overseas regions that struggle to secure safe drinking water and other water for domestic use. Currently, it is continuing to provide well construction assistance in the Bijapur region of India, through the Japan Asian Association and Asian Friendship Society which is familiar with local conditions, and one well was also completed this year. In the future, it will continue to work on improvement of water regimes in other countries.



Local residents waiting to fetch water from the newly constructed well

Flood damage assistance in Thailand

The entire KUBOTA Group has worked to provide assistance in response to the widespread flood damage in Thailand caused by continuing rains that began in the summer of 2011. In addition to the contribution of relief funds, the Group offered help such as providing motorized pumps from a local group company and operating transportation service for local residents using tractors. Also, as a member of the Japan Disaster Relief Team of the Japan International Cooperation Agency (JICA), eight employees of the KUBOTA Group rendered services for local water drainage work. Ceramic membrane type purification equipment was also provided locally at no cost, and it also made contributions to securing water for domestic use.



Scene of transportation for local residents using tractors

Interacting with local residents through company sports activities

KUBOTA operates a corporate sports team called Kubota Spears (rugby club). The team is involved in exchange activities with local residents such as rugby coaching events and cleanup of the neighborhood. In the "One for All, All for One" spirit, it will continue to cherish the relationships with local societies.



Rugby team members working on clean-up activities in the region

Assistance towards Great East Japan Earthquake Reconstruction Efforts

The KUBOTA Group has been committed to relief and reconstruction assistance for the areas affected by the Great East Japan Earthquake, including the supply of monetary donations, critical materials and volunteer workers, since immediately after the earthquake. With a focus on reconstruction assistance through business activities such as restoration of agriculture and infrastructure development, the Group will also provide "extensive," "sustainable" and "characteristic" support on a continuing basis.

Donating construction machinery to support rehabilitation activities

KUBOTA donated a total of 20 construction machinery of the 4-ton class to the Headquarters for Disaster Control in Fukushima Prefecture and Iwate Prefectural Institute of Construction Industry Association for removing debris and demolishing partially destroyed houses. KUBOTA's machinery is effectively used for the restoration activities in affected areas where there is a shortage of construction machinery.



KUBOTA's construction machinery used actively to remove debris

KUBOTA products are effectively used for reconstruction efforts and construction of temporary housing

Products of the KUBOTA Group are utilized in a wide range of areas for disaster rehabilitation including restoration of water pipes, construction of pipes for temporary housing and drainage in flooded districts. It will take all possible measures to preferentially provide products for reconstruction assistance to help perform the rehabilitation activities smoothly.



Drainage with pumps provided by KUBOTA at no cost

KUBOTA's earthquake-resistant pipes facilitating rehabilitation activities

Desalination and decontamination of farmland

To help restore the farmland suffering salt damage caused by the tsunami, KUBOTA is conducting a demonstration test for desalination with the cooperation of an agricultural corporation in Natori, Miyagi Prefecture. The technology under study aims to desalinate a field even if an adequate supply of agricultural water cannot be secured due to broken waterways. Moreover, it is providing the information necessary for farmers by, for example, preparing and distributing a booklet that introduces actual examples of farmland rehabilitation in the past.



Pamphlet on field restoration prepared by KUBOTA



Demonstration test

Programs for children in affected areas

The KUBOTA "TERRA-KOYA" is a summer camp hosted by the BeGood Café, a non-profit organization, and organized every year as a KUBOTA e-Project, which is one of the social contribution activities of the KUBOTA Group. In 2011, the camp invited children from Fukushima and other areas affected by the earthquake to Azumino, Nagano Prefecture.

It also organized a KUBOTA e-Project "Academy of Science and Environment" (hosted by the Asahi Shimbun Company and Asahi Culture Center) at Sendai Science Museum. Sakana-kun, who is a TV personality and visiting associate professor at the Tokyo University of Marine Science and Technology, was invited as a lecturer to talk about fish species living off the coast of the Tohoku Region.



Children participating at KUBOTA TERRA-KOYA

Donation of engines to high schools in affected areas

KUBOTA donated engines as educational materials to the industrial and agricultural high schools that lost their engines for practical training due to the tsunami. It hopes that the students will improve their skills through the practical training and play active roles in the rehabilitation of their hometowns as early as possible. It will continue to support these students who have future potential to work for the affected areas.



KUBOTA engines donated for practical training

Assistance with a technique for "direct sowing of iron-coated seeds"

Many farmers in the disaster-stricken areas were forced to give up rice planting because their seedling cultivation equipment had been swept away by the tsunami. To help such farmers, KUBOTA proposed a technique for "direct sowing of iron-coated seeds," which sows rice seeds by machinery directly without using seedlings, and provided necessary support in 2011. In 2012, it planted rice using the technique with students of Miyagi Prefectural Agricultural High School in their practical training farmland affected by the disaster, as well as in other fields of local farmers. KUBOTA will continue such efforts to assist rehabilitation with local youngsters.



Rice grown in a field using iron-coated seeds

Direct sowing with a direct-seeder

Support of a rugby match in Kamaishi, a city of rugby, to pray for the revival

In July 2011, Kubota Spears had a friendly match in Kamaishi, Iwate Prefecture with the local rugby team, Kamaishi Seawaves. The match was organized to pray for the earliest possible restoration of the disaster-stricken areas. KUBOTA employees provided catering services as volunteers along with local mobile food vendors.



Employees helping delivery of food

Local mobile food vendors supporting the friendly match

Volunteer activities of KUBOTA employees

In July 2011, KUBOTA employees participated in the collection of household goods from houses damaged by the tsunami and the removal of debris in affected coastal areas. Our new recruits and other employees also performed volunteer activities in September and October 2011 and May 2012. The employees who joined in the activities realized that it would take considerable time for the restoration. The KUBOTA Group will make continuous efforts to support the rehabilitation of the disaster-stricken areas.



Employee volunteers carrying household furniture out of a damaged house

New recruits engaging in removal of debris

Environmental Management Basic Policy

The KUBOTA Group Environmental Charter

The KUBOTA Group aims to create a society where sustainable development is possible on a global scale and conducts its operations with concern for preserving the natural environment.

The KUBOTA Group Environmental Action Guidelines

- The KUBOTA Group takes initiatives for the protection of the natural environment in all its activities.**
 - By setting specific goals on its own initiative while remaining in compliance with all laws and regulations
 - By promoting initiatives at all levels of its operations, from product development to production, sales, distribution and services
 - By taking a proactive stance toward securing understanding of the importance of protecting the environment among its suppliers and actively obtaining their cooperation
 - By promoting activities friendly to the natural environment and its biodiversity
- The KUBOTA Group works to protect the environment and create a symbiotic relationship with the community.**
 - By participating in community beautification and environmental enlightenment activities in its role as a good corporate citizen
 - By engaging in business activities that take full account of environmental protection in the community, including pollution prevention
- The KUBOTA Group undertakes systematic initiatives to protect the environment.**
 - By conducting environmental impact assessments, working to reduce environmental risk, and preventing environmental pollution
 - By working to solve environmental issues, including prevention of global warming, creation of a recycling society and reduction of the release of harmful substances
- The KUBOTA Group implements a thorough program of environmental management.**
 - By introducing environmental management systems and promoting initiatives in everyday operations
 - By proactively monitoring whether the "Plan, Do, Check, Action (PDCA)" cycle is functioning in environmental management activities
 - By promoting enlightenment and educational activities related to the environment and working to heighten awareness of the environment
- The KUBOTA Group is proactive in communicating its environmental perspective.**
 - By issuing timely and easily understandable environmental information
 - By gathering environmental information from a broad range of stakeholders and reviewing as well as upgrading its environmental protection activities

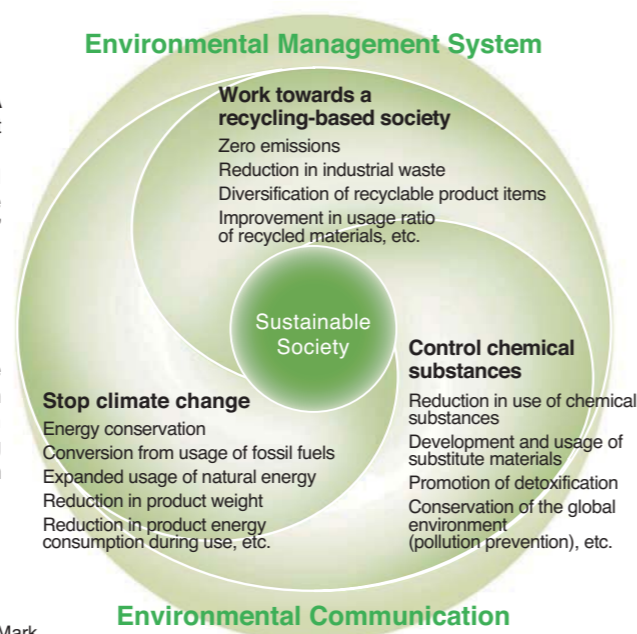
Basic Direction of Corporate Environmental Management

As the basic direction of environmental management for the KUBOTA Group, which aims to achieve a society wherein sustainable development is possible on a global scale, we have established three objectives, namely to "Stop climate change," "Work towards a recycling-based society" and "Control chemical substances." As the foundation for these efforts, we plan to enhance our "Environmental management system" and "Environmental communication."

As an "Eco-First Company"

In May 2010, KUBOTA made the "Eco-First Commitment" pledge to the Japanese Environment Minister to carry out environmental preservation measures on a group-wide basis, and was officially approved as an "Eco-First Company." The pledge was made with regard to the following four points, which are being implemented together with our "Medium-Term Environmental Conservation Plan." (P. 42)

- Stop climate change
- Work towards a recycling-based society
- Control chemical substances
- Conserve biodiversity



Message from the Environmental Conservation Control Officer

Kenshiro Ogawa,
Managing Executive Officer - GM of Quality Assurance & Manufacturing Headquarters, KUBOTA Corporation

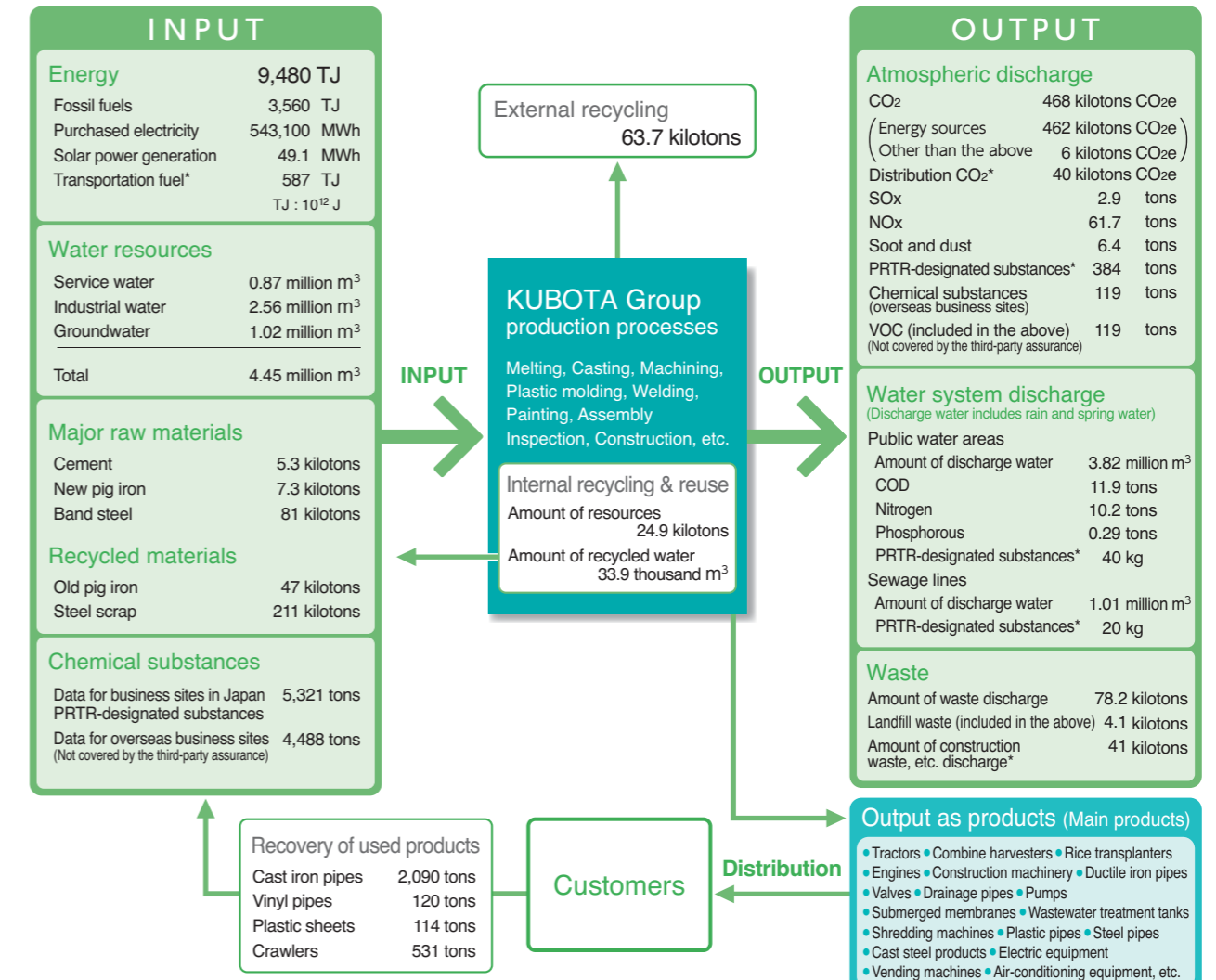
In aiming to achieve a sustainable society, the KUBOTA Group is promoting enhancement of environmental management focused on manufacturing. In recent years with the globalization of management and the expansion of overseas production, reduction of the environmental loads has become a top priority issue for our entire Group, and we are working on Medium-Term Environmental Conservation Plan.

In addition, in order to further enhance the environmental friendliness of products, we launched an internal Eco-Products certification system in 2011. From here on we will also continue contributing to the protection of the global environment by promoting even greater efforts for environmental conservation throughout the entire "manufacturing" process, including technical development to improve the environmental performance of products, production, sales and service.

Whole Picture of the KUBOTA Group's Business Activities and Environmental Loads

This is an overall summary of the KUBOTA Group's diverse domestic and international business activities and the associated environmental loads. (FY2012 results, global data) The KUBOTA Group has assessed and analyzed the environmental loads and is working on load reduction efforts.

(*mark indicates data concerning business sites in Japan)



The method of calculation for each indicator is posted on the website (<http://www.kubota-global.net/csr/report/pdf/2012/kanky-web.pdf>) under "Calculation Standards of Environmental Performance Indicators."

The environmental information in this document (KUBOTA REPORT 2012-Business and CSR Activities), in combination with that given on the website (<http://www.kubota-global.net/csr/report/r2012.html>), has received the third-party assurance from KPMG AZSA Sustainability Co., Ltd. Indices covered by this assurance are indicated by the "🔍" symbol.

Promoting Environmental Management

The KUBOTA Group is working to enhance its environmental management system in order to promote more environmentally-friendly corporate management. The Group is also working to increase environmental awareness among its employees and to improve the standards of its environmental activities by checking its compliance with the rules for environmental conservation and by providing educational programs.

In addition, in terms of KPI (Key Performance Indicators) for the objectives established in the "Basic direction of corporate environmental management," namely to "Stop climate change," "Work towards a recycling-based society" and "Control chemical substances," the Group has formulated "Medium-Term Environmental Conservation Plan" and has been promoting activities to achieve targets on a group-wide basis including overseas business sites since FY2010.

Environmental Management

Based on rules established by the KUBOTA Group, the Group is working to create environmental management systems and enhance its activities at each business site. In particular, with the globalization of its business in recent years, the Group is focusing on the enhancement of environmental management systems which also include its overseas business sites.

Compliance with environmental laws and enhancement of risk management

In order to ensure good compliance with environmental laws, the KUBOTA Group has established independent control values for gas emissions, waste water, noise, vibration and other parameters at its business sites. These control values are even more rigorous than the regulation values imposed by local laws and ordinances and they are implemented with thorough controls.

At a group company in Indonesia in 2011, regulated values for water discharge were exceeded, but necessary actions were quickly undertaken and the company is working on improvements to prevent a reoccurrence.

Also, although it falls outside of the time period covered by this report, there was an incidence of exceeding regulated values for water and air quality at a group company in China in February 2012, and countermeasures are currently in progress.

Environmental education

In order to promote environmental management, the KUBOTA Group is systematically conducting education by employee-level to raise awareness of environmental issues and to strengthen environmental management.

In addition, in order to implement assured environmental conservation, the Group is conducting specialized education such as pollution control technology, energy conservation and training of ISO environmental auditors.

Environmental auditing

Each year environmental audits are conducted by the KUBOTA Environmental Protection Department, based on the internal control system of the KUBOTA Group.

Audits in FY2012 were conducted by means of paper audits and field audits, which focused on production sites, service sites, offices and construction departments of its domestic group and on production sites of its overseas group.

Also, at its domestic and overseas production sites, in addition to environmental audits conducted by the Environmental Protection Department, internal environmental audits are also implemented by the staff of each site.

FY2012 Environmental audit implementation status

[Number of subject sites and departments]

168 sites and departments

[Number of audit items]

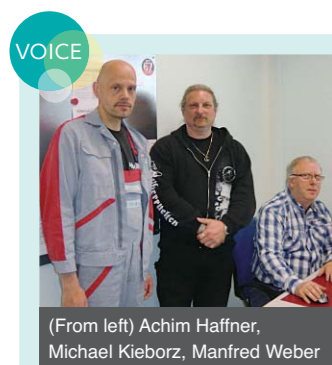
76 items (for production sites)

[Audit details]

- Environmental management system
- Water & Air quality management
- Noise & Vibration management
- Waste material & Chemical substance management
- Climate change prevention
- Response to abnormalities and emergencies



Audit of overseas production site



Environmental conservation activities at Kubota Baumaschinen GmbH

Kubota Baumaschinen has been manufacturing construction machinery since 1989 in the suburbs of Zweibrücken Germany. We are in charge of the environmental management of the facility. Our company is pursuing an upgrade of its internal system in order to obtain EMAS (Eco-Management and Audit Scheme) certification. In addition, we are also pursuing the introduction of an energy management system at the same time.

As energy saving measures, we are systematically implementing steps including installation of air stop valves on compressors, timer control of lighting and updating of air-conditioning equipment. In FY2012 it was possible to reduce energy consumption (gas) and costs with new installation of effluent treatment equipment.



Effluent treatment equipment

Medium-Term Environmental Conservation Plan and Targets/Results for FY2012

The KUBOTA Group adopted a Medium-Term Environmental Conservation Plan for the period of FY2010 to FY2013 in order to implement the basic direction of its corporate environmental management, and the Group has been promoting activities to achieve the established targets.

Issues	Actions	Management Indicators	Scope	Base FY	Plan	Do	Check	Action	Plan	Detail Page
					Targets FY2012	Results FY2012			Self-evaluation*2	
Stopping climate change	Reduce CO ₂	CO ₂ emissions per unit of sales	Group-wide	2009	▲7%	▲10.6%	◎	In addition to past measures, the KUBOTA Group achieved its target with steady energy saving activities including reducing unnecessary energy consumption for production equipment, air-conditioning and lighting.	▲10%	43
		CO ₂ emissions	Group-wide	2009	▲7%	▲18.7%	◎		▲10%	
	Reduce CO ₂ during distribution	CO ₂ emissions per unit of sales	Group companies in Japan	2009	▲3%	▲3.2%	○	The Group achieved its target by re-examining distribution centers and improving load efficiency, etc.	▲4%	
Working towards a recycling-based society	Reduce waste	Waste discharge per unit of sales	Group-wide	2009	▲6%	▲8.7%	◎	Reason for failure: The Group did not reach its target due to slow progress in recycling at overseas business sites.	▲8%	44
		Ratio of business sites that have achieved zero emissions	Group production sites	-	60%	39.4%	×		70%	
	Conserve water resources	Water consumption per unit of sales	Group-wide	2009	▲3%	▲3.9%	◎	The Group achieved its target with water saving activities and reuse of waste water.	▲4%	
Controlling chemical substances	Reduce PRTR-designated substances*1	Release & transfer per unit of sales	Group companies in Japan	2009	▲6%	▲31.0%	◎	Reason for failure: The Group did not reach its target due to remaining lead-containing parts that are difficult to substitute.	▲8%	45
	Reduce chemical substances in products	Ratio of models with reduced RoHS-designated substances	Group-wide	-	35%	28.0%	×		40%	

*1 Due to the revision of the PRTR law, the designated substances have been reviewed in 2010.

*2 Self-evaluation rating symbols: ◎ Target exceeded (by at least 20%) ○ Target reached × Target not reached

Targets were generally achieved in FY2012. FY2013 is the last year of the Medium-Term Environmental Conservation Plan, and the KUBOTA Group will continue to step up its pursuit of measures aimed at reaching its targets by tackling these issues.

Trends of Management Indicators (KPI) for the Medium-Term Environmental Conservation Plan

Results achieved from FY2009 through FY2012 and target values for FY2013 are shown in the following table.

Issues	Actions	Management Indicators	Units	FY2009	FY2010	FY2011	FY2012	Target Value FY2013
Stopping climate change	Reduce CO ₂	CO ₂ emissions per unit of sales	tons CO ₂ e/billion¥	5.20	5.13	4.77	4.64	4.68
		CO ₂ emissions	kilotons CO ₂ e	575	478	445	468	518
	Reduce CO ₂ during distribution	CO ₂ emissions per unit of sales	tons CO ₂ e/million¥	413	418	414	400	397
Working towards a recycling-based society	Reduce waste	Waste discharge per unit of sales	tons/million¥	850	798	750	776	782
		Ratio of business sites that have achieved zero emissions	%	36.7%	46.7%	50.0%	39.4%	70%
	Conserve water resources	Water consumption per unit of sales	m ³ /billion¥	46.0	50.1	45.3	44.2	44.2
Controlling chemical substances	Reduce PRTR-designated substances	Release & transfer per unit of sales	kg/billion¥	7.17	7.14	5.46	4.95	6.60
	Reduce chemical substances in products	Ratio of models with reduced RoHS-designated substances	%	24.1%	24.2%	22.2%	28.0%	40%

*The figures per unit of sales represent the intensity of environmental impact. *The denominator is consolidated net sales.

Stopping Climate Change

To stop climate change, the KUBOTA Group promotes reduction of CO₂ emissions through energy conservation and other activities.

Background for activities

- Considering business characteristics of the KUBOTA Group, the Group promotes activities to stop climate change with a focus on the production and logistics stages.

Targets for FY2012

- CO₂ emissions per unit of sales: Reduce by 7% from the FY2009 level
- CO₂ emissions: Reduce by 7% from the FY2009 level
- CO₂ emissions during distribution per unit of sales: Reduce 3% from the FY2009 level (production sites in Japan)

Priority items for FY2013

- Continuously promote energy conservation measures
- Step up initiatives throughout the Group

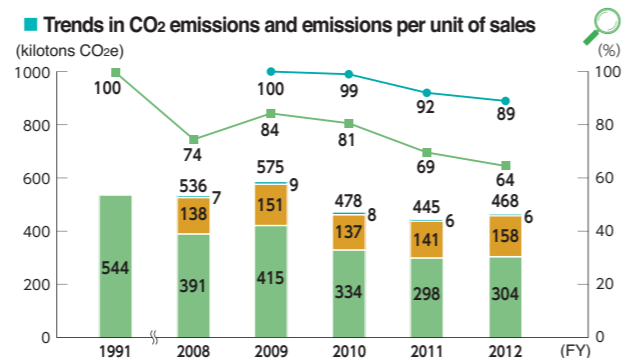
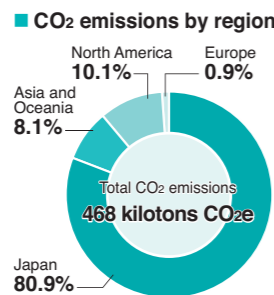
Reduction of CO₂ emissions

The KUBOTA Group's CO₂ emissions in FY2012 stood at 468 kilotons CO₂e, down 18.7% from the FY2009 level. CO₂ emissions per unit of sales was also reduced by 10.6% from the FY2009 level. Thus the Group attained the reduction target of 7% for FY2012.

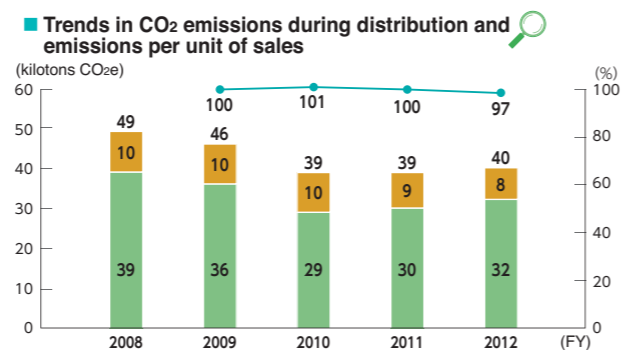
At production sites in Japan, the Group made efforts to identify and reduce unproductive use of energy sources, through energy conservation patrols and visualization of power consumption, etc. At offices, the Group conducted energy conservation activities, such as reducing the number of lights and ensuring control of temperature settings for air conditioning, etc.

At overseas production sites, the Group promoted switchover to inverter-based compressors and pumps, etc., and to high-efficiency lighting appliances.

In FY2013, the Group is seeking to attain its targets through group-wide efforts, including continued energy conservation measures and elimination of unproductive use of energy sources.



- CO₂ emissions from non-energy sources (group-wide)*1
 - CO₂ emissions (KUBOTA non-production sites and group companies)
 - CO₂ emissions (KUBOTA production sites)
 - CO₂ emissions per unit of sales (group-wide) (compared to FY2009)*2
 - CO₂ emissions per unit of sales (KUBOTA production sites) (compared to FY1991)*2
- *1. Starting FY2012, overseas sites are included in the scope of calculation of CO₂ emissions from non-energy sources.
 *2. Emissions per unit of sales = CO₂ emissions / sales
 (—●—: Consolidated net sales, —■—: Non-consolidated net sales)



- CO₂ emissions during distribution (group companies in Japan)
 - CO₂ emissions (KUBOTA)
 - CO₂ emissions during distribution per unit of sales (compared to FY2009)*
- * CO₂ emissions during distribution per unit of sales = CO₂ emissions during distribution / Consolidated net sales

Reduction of CO₂ emissions during distribution

The Group's CO₂ emissions during distribution in Japan in FY2012 stood at 40 kilotons CO₂e. CO₂ emissions during distribution per unit of sales was cut down by 3.2% from the FY2009 level, thus attaining its target. The KUBOTA Group has reduced transportation mileage through reviewing locations of its logistics sites, and has started a new initiative for joint round transportation based on shared use of cargo containers with other companies.

VOICE



Makoto Hioki
Production KAIZEN Section,
Tsukuba Plant,
KUBOTA Corporation

Introduction of a visualization system for power consumption

At our Tsukuba Plant, we introduced a visualization system for power consumption following the power restriction in the summer of 2011. This system has enabled graphical indication of the plant's maximum hourly power consumption on a large display in the plant office and on the screens of employees' PCs.

Utilization of this system led to peak cut measures, such as stopping some machines and switching over to in-house power generation during consumption peaks. It also enhanced the energy awareness of each employee, and encouraged their continuous and consistent activities, such as turning off switches frequently.

Additional improvement measures are in progress in some production lines, including visualization of power consumption by each machine, thereby identifying points of unproductive use and enabling a review of operating methods of such machines.

We will continue to promote energy conservation activities in order to further improve energy consumption efficiency and reduce CO₂ emissions.



Indication on a PC screen

Working towards a Recycling-based Society

In working towards the formulation of a recycling-based society, the KUBOTA Group promotes measures for zero emissions and efficient use of water resources.

Background for activities

- Working towards the formulation of a recycling-based society, the KUBOTA Group promotes activities focused on waste reduction and conservation of water resources.

Targets for FY2012

- Waste discharge per unit of sales: Reduce by 6% from the FY2009 level
- Ratio of business sites that have achieved zero emissions: 60% (Zero emissions: Ratio of landfill disposal is 0.5% or less.)
- Water consumption per unit of sales: Reduce by 3% from the FY2009 level

Priority items for FY2013

- Improve recycling ratio through thorough implementation of waste separation
- Reduce water consumption by recycling wastewater

Reduction in waste discharge and promotion of recycling

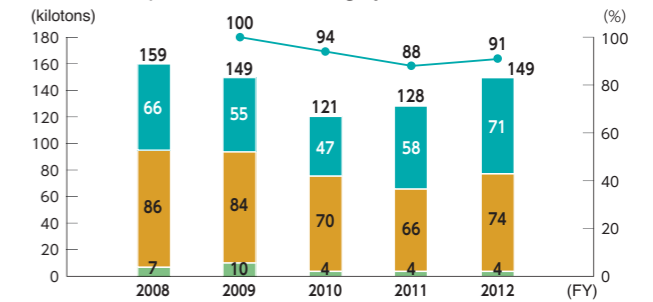
The KUBOTA Group's waste discharge per unit of sales in FY2012 was reduced by 8.7% from the FY2009 level, attaining the preset target. Waste discharge stood at 78.2 kilotons, down 16.9% from the FY2009 level.

The Group has promoted resource recycling within the Group through utilization of waste oil as fuel, recovery of waste crawlers for construction machinery, machining metal dust and polishing dust as iron sources, as well as other measures. The Group will continue to promote recycling in order to reduce waste discharge.



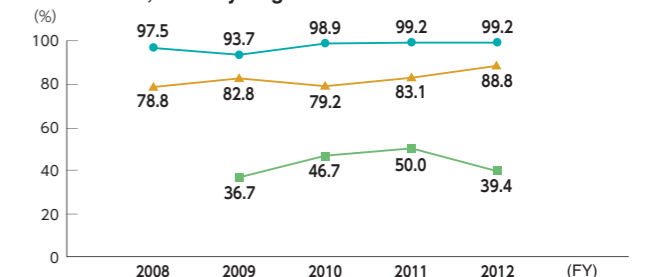
Waste Separation and Collection Station, Utsunomiya Plant

Trends in waste, etc. discharge (including valuable resources) and waste discharge per unit of sales



- Valuable resources
 - Amount of recycled and reduced waste
 - Landfill disposal*1
 - Discharge per unit of sales (compared to FY2009)*2
- *1. Landfill disposal = Direct landfill disposal + Final landfill disposal following intermediate treatment
 *2. Discharge per unit of sales = Waste discharge / Consolidated net sales

Trends in ratio of business sites that have achieved zero emissions, and recycling ratio



- Ratio of business sites that have achieved zero emissions*1
 - Recycling ratio (in Japan)*2
 - Recycling ratio (overseas)*2
- *1. The ratio of business sites that have achieved zero emissions is calculated using the number of production sites in Japan and overseas as a denominator. (FY2009~FY2011: 30 sites, FY2012: 33 sites)
 *2. Recycling ratio (excluding volume reduction) (%) = (Sales of valuable resources + recycled waste) / (Waste, etc. discharge - Volume reduction in intermediate treatment) x 100
 The recycled waste does not include heat recovery. The volume reduction in intermediate treatment refers to reduction through dehydration, incineration, etc.

Zero Emissions

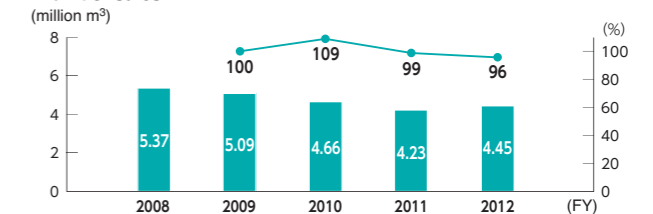
The ratio of business sites that have achieved zero emissions stood at 61.9% for business sites in Japan, and 0% for overseas sites (overall ratio: 39.4%), failing to reach the targeted 60% level. The KUBOTA Group will promote further recycling measures at overseas sites.

Conservation of water resources

The Group's water consumption per unit of sales in FY2012 was reduced by 3.9% from the FY2009 level, reaching the preset target. Water consumption stood at 4.45 million m³, down 12.6% from the FY2009 level.

In coming years, the KUBOTA Group plans to introduce wastewater recycling equipment mainly at overseas production sites, thereby further reducing its water consumption through reuse of wastewater and relieving water pollution loads.

Trends in total water consumption and consumption per unit of sales



- Total water consumption
 - Water consumption per unit of sales (compared to FY2009)*
- * Water consumption per unit of sales = Water consumption / Consolidated net sales

Controlling Chemical Substances

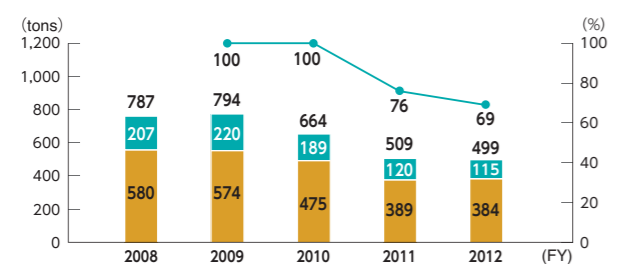
The KUBOTA Group undertakes continuous measures to ensure appropriate control of chemical substances and to attain preset reduction targets.

Background for activities	Targets for FY2012	Priority items for FY2013
<ul style="list-style-type: none"> VOC* make up more than 99% of the overall release of PRTR-designated substances. The KUBOTA Group promotes improvement of manufacturing processes and installation of recovery equipment in order to reduce VOC release. Based on international agreements, manufacturers are required to reduce the risks of chemical substances contained in their products. 	<ul style="list-style-type: none"> Release and transfer of PRTR-designated substances per unit of sales: Reduce by 6% from the FY2009 level Ratio of models with reduced RoHS-designated substances: 35% 	<ul style="list-style-type: none"> Reduce release of VOC through switchover to VOC-free items and process improvement Effective response to the REACH Regulation

Reduction of PRTR-designated substances

The release and transfer of PRTR-designated substances per unit of sales in FY2012 was reduced by 31.0% from the FY2009 level, attaining the preset target. Total release and transfer was reduced by 44.4% from the FY2009 level. The KUBOTA Group will continue to promote the reduction of PRTR-designated substances through switchover to PRTR-free substitutes, operation of thinner recycling equipment and improvement of manufacturing processes, etc.

Trends in release and transfer of PRTR-designated substances*, release and transfer per unit of sales



* Total amount of declarable substances that are handled at an annual volume of 1 ton or more (0.5 ton or more for Specific Class I designations) at each site (Group production sites in Japan)
 *2. Release and transfer per unit of sales = Total release and transfer / Consolidated net sales

Response to regulations related to chemical substances

The EU's REACH Regulation* requires registration of chemical substances and provision of information regarding substances of very high concern contained in articles. In order to respond to the REACH Regulation and other regulations related to chemical substances, the KUBOTA Group has established and enforced rules to identify the chemical substances contained in its products and ensure their appropriate control. Since FY2011, the Group has categorized chemicals contained in products into the three control levels listed below. The Group also undertakes researches on chemicals contained in products on a global basis, with support from its suppliers.

- 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; Their presence in products should be recognized

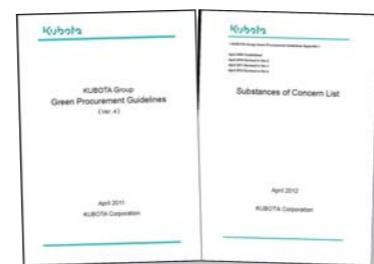
Reduction of chemical substances contained in products

EU's RoHS Directive* and ELV Directive, and similar laws and regulations in other countries and regions, are targeted at electrical and electronic equipment and/or automobiles. Although the most of industrial machinery provided by the KUBOTA Group is not included in the scope of these regulations, the Group has promoted proactive measures to reduce the use of the six RoHS-designated substances (lead, mercury, cadmium, hexavalent chromium, PBB and PBDE) in a planned manner. The ratio of models with reduced RoHS-designated substances* in FY2012 stood at 28.0%, failing to reach the preset target of 35%. However, the Group managed to improve the ratio of components free of RoHS-designated substances used for one representative model of its tractors from 67% in 2006, when the Group initiated the reduction activities, to 98% in FY2012.

* Ratio of the value of shipped products that contain RoHS-designated substances (lead, hexavalent chromium, mercury, cadmium, PBB and PBDE) in amounts equal to or less than the threshold limits (except products used for applications exempted from the RoHS Directive and ELV Directive) against the total value of products shipped in FY2012 (excluding plants, facilities, construction, services and software development).

Promotion of green procurement

For the purpose of providing products that are friendly to the global and local environment, the KUBOTA Group is seeking to procure products with reduced environmental impacts from eco-friendly suppliers. In order to effectively promote eco-friendly sourcing activities, the Group presents its policy for green procurement in the KUBOTA Group's Green Procurement Guidelines, to request the understanding and cooperation of suppliers.



KUBOTA Group's Green Procurement Guidelines and Appendix

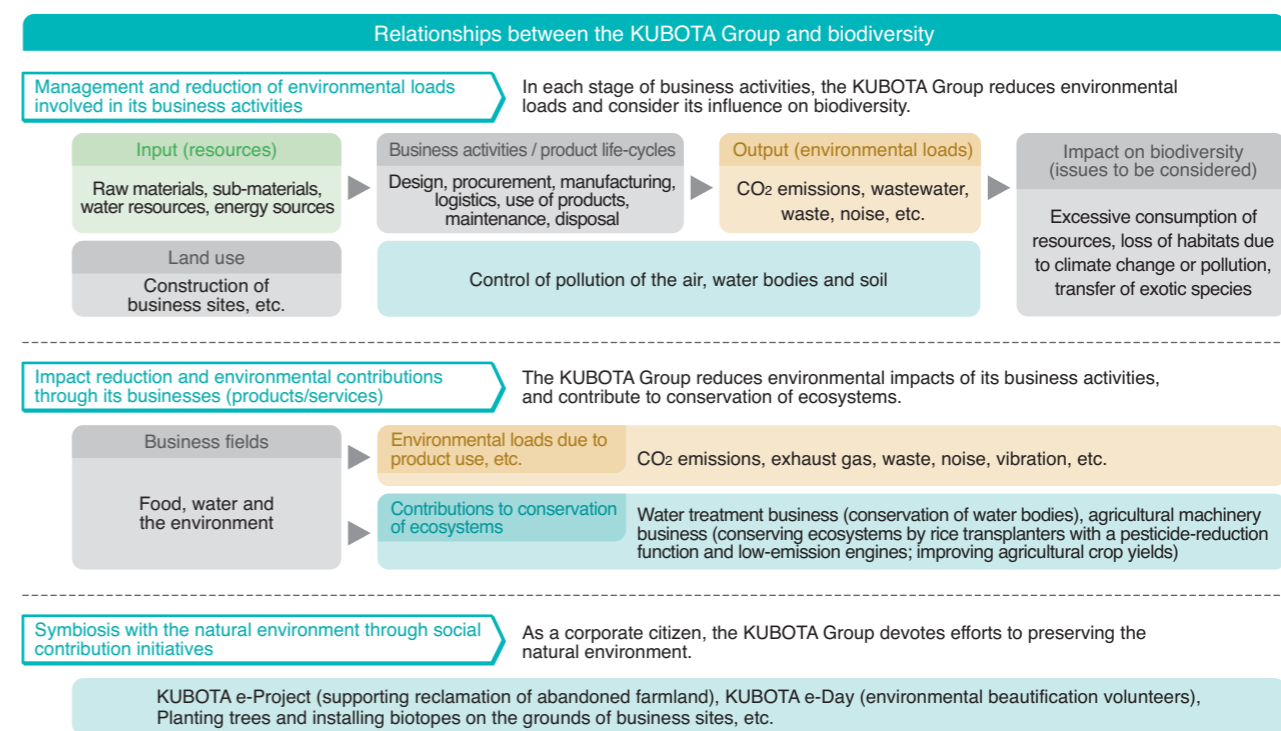
● KUBOTA Group's Green Procurement Guidelines: <http://www.kubota-global.net/environment/procure.html>

Conservation of Biodiversity

Conservation of biodiversity is set as one of the targets for the KUBOTA Group's "Eco-First Commitment." In its business activities and social contribution initiatives, the Group endeavoring to ensure that care is taken to conserve biodiversity and protect the natural environment.

Background for activities	Targets for FY2012	Priority items for FY2013
<ul style="list-style-type: none"> Because business activities of the KUBOTA Group deal with food, water and the environment, the Group enjoys the benefits of nature in each activity, while influencing animals, plants and ecosystems. It is therefore necessary that the Group gives consideration to conservation of biodiversity. 	<ul style="list-style-type: none"> Reduce environmental loads involved in business activities, appropriately control environmental risks, and protect the natural environment around its business sites. Protect the natural environment through the KUBOTA e-Projects as part of its social contributions 	<ul style="list-style-type: none"> Continue contributions to biodiversity through reduction of environmental impacts such as CO₂ emissions and waste, and through eco-friendly products and services Continue with the KUBOTA e-Project

The following diagrams illustrate relationships between the KUBOTA Group and biodiversity.



Frontline Report Planting activities to solidify river banks in Thailand

SIAM KUBOTA Metal Technology Co., Ltd. in Thailand produces castings for engines and tractors. Since its foundation, the company has designated June of every year as the Month for the Environment in order to foster employees' recognition of environmental conservation and enhance communication with local communities. In June 2011, staff of the company participated in a local planting activity to solidify river banks as one of the events for the Month for the Environment. In this planting activity, the staff planted *Vetiveria zizanioides*, a gramineae family plant that is highly effective in preventing soil loss. River bank protection using plants excels protection with concrete or asphalt with respect to conservation of biodiversity, maintenance of landscapes and control of land surface heat, etc. In particular, planting of *Vetiveria zizanioides* is expected to highly contribute to conservation of biodiversity, because this plant that is cultured widely in Asian tropical areas will provide homes to insects and small animals, and facilitate the growth of wild plants and flowers among *Vetiveria zizanioides*. Other events for the month included tree planting on the site grounds and at nearby facilities and beautification of old facilities for a local primary school, etc. The company staff will continue to undertake similar activities in order to contribute to conservation of the local environment.



Staff during the planting activity

Vetiveria zizanioides

Environmentally-Friendly Products

One of the ways the KUBOTA Group is making its products more environmentally-friendly is by working to reduce environmental loads throughout the product life-cycle.

Background for activities

From the perspective of the product life-cycle, the KUBOTA Group is taking measures for stopping climate change, working towards a recycling-based society, and control of chemical substances.

Targets for FY2012

Introduction of an internal certification system for Eco-Products, and start of certification

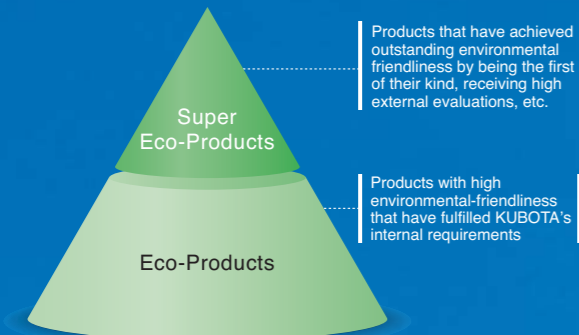
Priority items for FY2013

- Increase internally certified Eco-Products
- Promote information provision on the corporate website, etc.

Internal certification system for Eco-Products (Products for Japanese market)

In FY2012, the KUBOTA Group introduced an internal certification system for Eco-Products, for the purpose of recognizing products with highly eco-friendly qualities. Products that satisfy specific requirements for energy conservation, resource conservation, recycling and reduction of environmentally hazardous substances, etc. are certified as Eco-Products, and labeled as such.

Example of an Eco-Product label



Evaluation items

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

In FY2012 the following 18 products were certified as Eco-Products.

Super Eco-Products

Ethylene cracking tube MERT/Siit-MERT/X-MERT series



Achieved 50% cut in fuel consumption to remove coke (carbon) that is deposited during thermal cracking operations in ethylene plants.



Coke that is generated in an ethylene cracking tube has various negative influences, comparable to arteriosclerosis in the body. The MERT series prevents accumulation of coke by improving the flow of raw materials, thereby contributing to increased operating efficiency of the plant.

Makoto Hineno
Manager, Materials R&D Group,
Materials Technology Dept., KUBOTA Corp.

Vending Machine for Canned and PET Bottled Beverages, Heat Pump Model in 2011

(30 Items, Three Rows, PET Bottle-Enabled, R134a refrigerant)



Achieved 53% cut in annual power consumption, compared to 2008 conventional models.



We developed a new KUBOTA method for the industry's first heat pump system and a high-insulation case structure. According to our own research findings, our 30-item machine for 2011 achieved the number-one "super energy efficiency" in the Japanese market.

Akira Nanbu
Leader of Team 1, Product Development Group
Vending Machinery Engineering Dept., KUBOTA Corp.

Eco-Products

Farm & Industrial Machinery Domain



Tractor
Zero Kingwell Series

Energy conservation



Riding Rice Transplanter
Welstar Racwel Series
(EP55, EP65, EP67, EP87)

Energy conservation



Combine Harvester
Aerostar Raclead Series
Wider reaping Part of 2-rows Combine
(ER215, ER217, ER220)

Energy conservation



Electric Power Tiller
"New Midy Sairento"
(TME 10)

Zero exhaust gas



Swing Mower
"Karu-Max"
(GC-K501, GCK401EX)

Energy conservation



Swing Mower
"Karu-Max Deluxe"
(GC-K300D)

Reduced rice washing water



Automatic Commercial-Use
Rice Cooker
Rice Robo N Series
(excluding KR451N)

Energy conservation



Construction Machine
Mini Backhoe
(U-40-6)

Low noise

Water & Environment Domain



Earthquake-resistant
Ductile Iron Pipe
"GENEX"
(DN75 - 250)

Longer lifetime



Pump
Double Suction Volute Pump
(DV-LJ)

Energy conservation

Resource conservation



Pump
Vertical Mixed Flow Pump
(DF-VE)

Energy conservation

Resource conservation



Sewage Manhole Pump System
Non-Clog Submersible Pump (KS-N)
Control Panel (HiCoPa)

Energy conservation

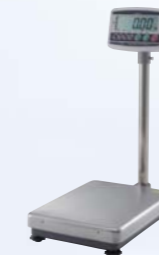
Resource conservation



Sewage Treatment Facility Equipment
Gravity Belt Thickener
(SNM-02X - 15X)

Energy conservation

Resource conservation



Weighing Machine
Digital Platform Scale
(KL-100NX Series)

Energy conservation



Vending Machine for Canned
and PET Bottled Beverages,
Heat Pump Model in 2011
(36 Items, 30 Items, 25 Items, 20 Items)
R134a refrigerant


Energy conservation

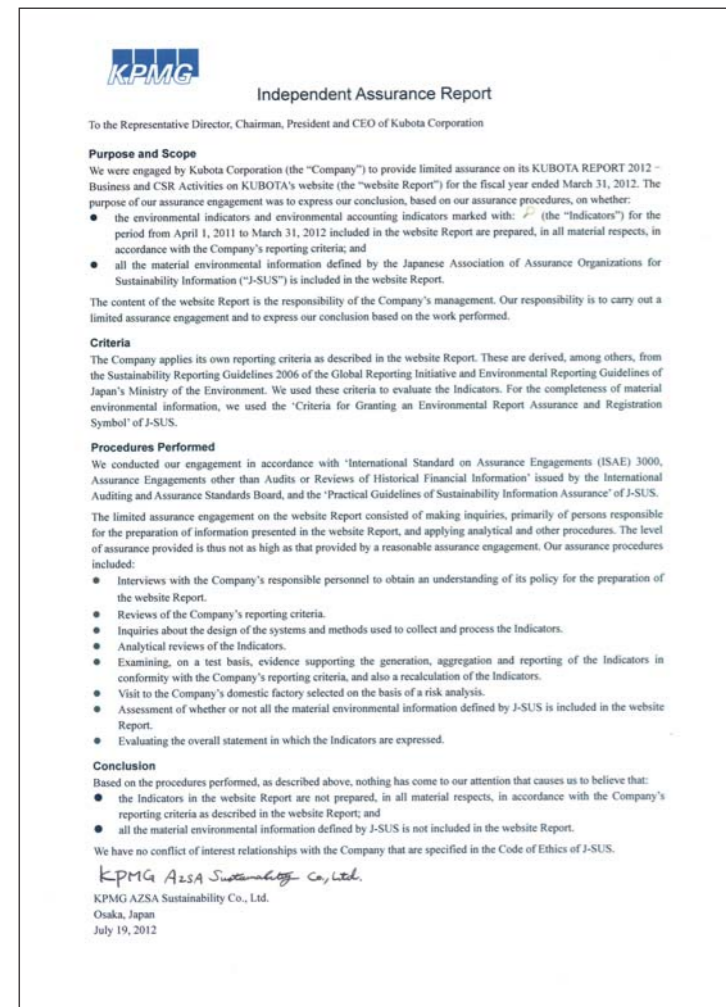


Air Handling Unit
Desiccant Air Handling Unit
(DES-3L - 47L)

Energy conservation

Third-Party Assurance on Environmental Reports

Since FY2005, the KUBOTA Group has received the third-party assurance in order to improve the reliability and comprehensiveness of its environmental data. The  symbol is used to indicate information assured by the third party. Based on the third-party assurance in this fiscal year, its environmental report was accorded the environmental report assurance and registration mark^{*1} of the Japanese Association of Assurance Organizations for Sustainability Information (J-SUS)^{*2}. This mark indicates that the reliability of environmental data presented in the KUBOTA REPORT 2012 – Business and CSR Activities satisfies the requirements for the environmental report assurance and registration marking specified by J-SUS.



*1: The mark appears on the back cover of this report.
*2: <http://www.j-sus.org/english.html>

KUBOTA REPORT 2012 is published in three languages (Japanese, English and Chinese) in both printed and online versions. The environmental information in all of the six versions has received the third-party assurance.

Factory visit



Okajima Business Center

Comments on the KUBOTA REPORT 2012 – Business and CSR Activities

Professor Katsuhiko Kokubu,
Graduate School of Business Administration, Kobe University



KUBOTA's motivation in the second year of integrated reporting

In 2011, the KUBOTA Group integrated its business report with its CSR report as KUBOTA REPORT – Business and CSR Activities. This is the second of the Group's integrated reports, featuring KUBOTA's three focuses: food, water and the environment. KUBOTA's positive corporate attitude to communicate its future vision, in addition to its historical data, is highly favorable.

Stepping up globalization further

This year's report highlights that KUBOTA is stepping up globalization of its activities further. President Masumoto expresses his strong intention to promote global activities in his message. The report also presents a detailed description of KUBOTA's overseas business, and explanation regarding development of global human resources. Expectations are high for KUBOTA's continued global business deployment, because its activities are all very important for improving the quality of life in emerging countries where KUBOTA operates. Such activities have been gradually incorporated into the Company's CSR targets. It seems that the Company has almost reached a stage where practical numerical targets can be specified for such activities.

Reliable information disclosure regarding internal control

One of the important features of KUBOTA's report is the detailed information disclosure regarding internal control. It is highly evaluated that the Company identifies risks to be avoided through internal control, and discloses specific data including the number of audits. It is also highly reliable in that the Company details the PDCA cycle that it uses in the internal control system. It is suggested that the company formulate methods and criteria for self-evaluation that suit its internal control system.

Proactive environmental management

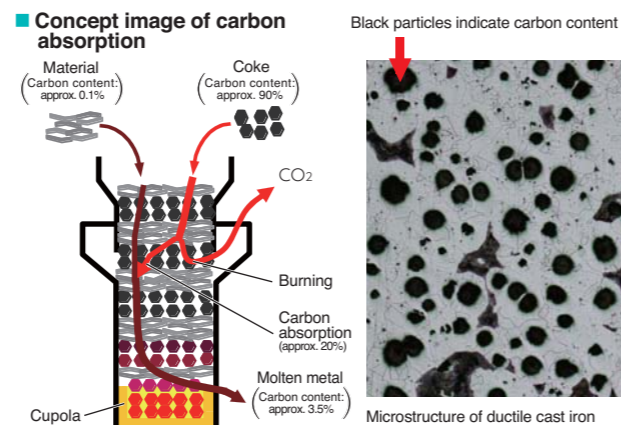
The report also suggests that KUBOTA's environmental management is progressing steadily. The Company achieved its targets for both total CO₂ emissions and emissions per unit of sales, despite the decreased production. This indicates that energy efficiency and resource productivity in the manufacturing frontline has been improving. The promotion of Eco-Product activities is also highly evaluated. It would be more effective if the Company promotes environmental management throughout its supply chain, and introduces some numerical targets for Eco-Products.

Enhancement of the workplace environment

With regards to the workplace environment, KUBOTA has underlined safety and reassurance, and has promoted work-life balance and diversity. Expectations are increasing for the Company's diversity measures, as more women have been employed as "creative" personnel (general employees). It is suggested that KUBOTA have dialogues with external experts to clarify KUBOTA's level among other companies and its requirements concerning diversity from the next term and other social issues. It will become increasingly important to facilitate interactive communication by sending messages to and inviting input from the outside.

Identifying carbon absorption in the casting process

In the casting process, not all the coke put into the cupola is burnt and discharged as CO₂ emissions. Part of the carbon content is absorbed into fused iron as an essential ingredient of casting (carbon absorption), and shipped as part of steel pipes and other products. KUBOTA introduced an initiative to identify carbon absorption levels in April 2011, and has made improvements to enable more accurate identification of its CO₂ emissions. As a result, it has been identified that carbon absorption (non-CO₂ carbon output) in FY2012 stood at 24 kilotons CO₂e. This makes up approximately 5.1% of the overall CO₂ emissions (468 kilotons CO₂e) of the KUBOTA Group. The calculated value of carbon absorption is included in the scope of the third-party assurance. The Company is seeking to further improve the reliability of relevant values, and continues to identify and disclose carbon absorption.



In response to the above comments

We have received comments from Professor Kokubu since 2009. Considering his reliable opinions, we have developed our initiatives such as mid-term targets clarification reporting and environmental reporting, KUBOTA e-Project and the internal certification system for Eco-Products. This year, we placed a particular focus on the integrated presentation of our business and CSR activities, and description of our future vision in addition to historical data, as a corporate group that contributes to society through its business. As Professor Kokubu pointed out, more specific targets must be set for us to measure progress toward achievement of our future vision. We at the KUBOTA Group will continue to flexibly adapt to the rapidly changing business environment, and remain a sustainable company that contributes to solving problems related to food, water and the environment around the world.



Kunio Suwa,
Executive Officer-General Manager of CSR Planning & Coordination Headquarters, KUBOTA Corporation

KUBOTA's history

“We must create products with our heart and soul, and ensure that commodity value in a proper sense is embodied in each of our products.”

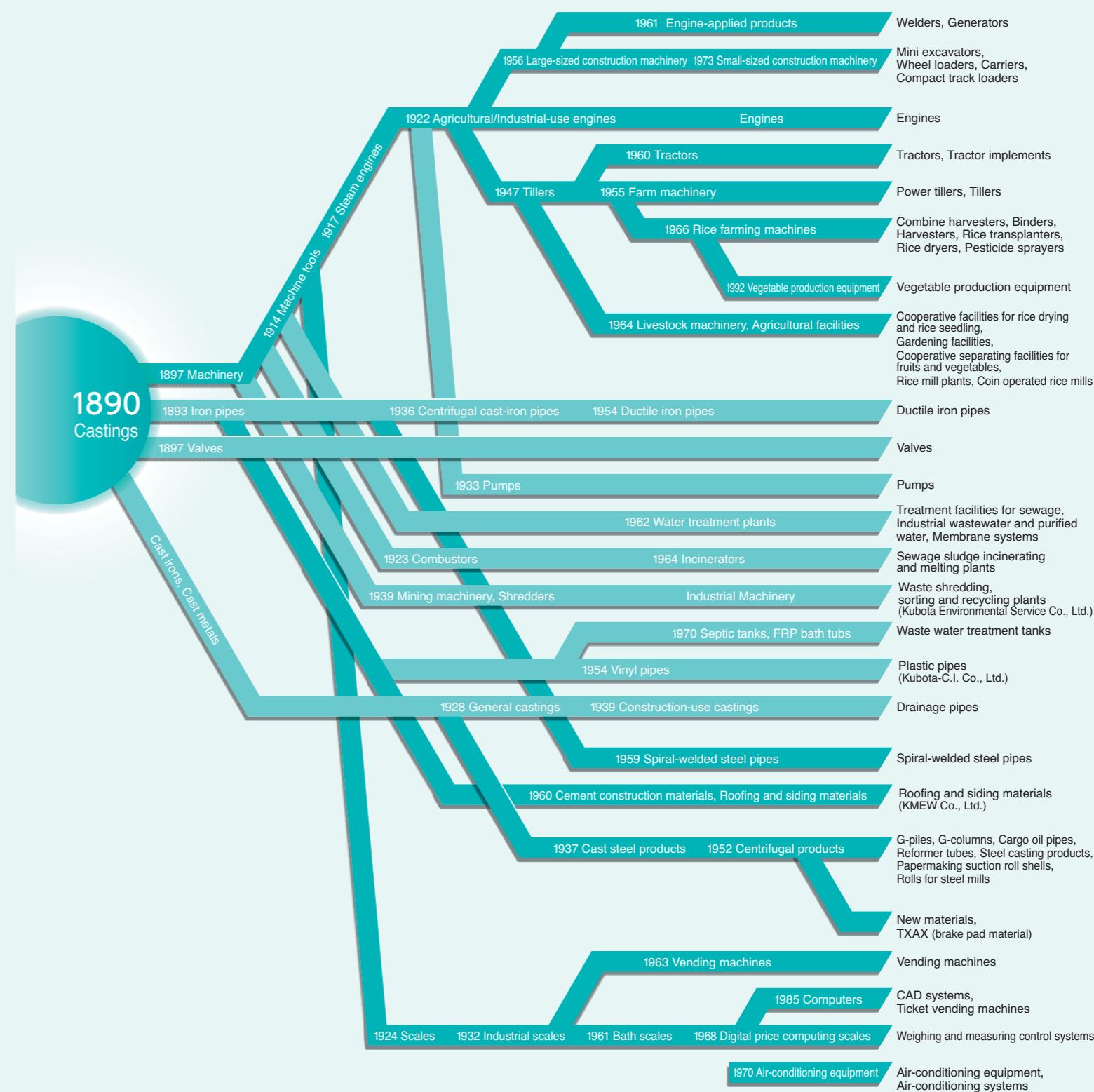
Gonshiro Kubota, Founder of the KUBOTA Group

History

<p>1890</p> <ul style="list-style-type: none"> Established "Ohde Casting" as a foundry. <p>1893</p> <ul style="list-style-type: none"> Started production of cast iron pipes for water supply.  <p>1897</p> <ul style="list-style-type: none"> Changed the corporate name to Kubota Tekko-sho (Kubota Iron Works). Started production of waterworks equipment, such as fire hydrants and gate valves. <p>1922</p> <ul style="list-style-type: none"> Started production of oil-based engines for agro-industrial purposes, "settanki" (coal economizer: energy-saving equipment utilizing waste gas), and heat-resistant cast iron.  <p>1924</p> <ul style="list-style-type: none"> Entered the scale business. <p>1930</p> <ul style="list-style-type: none"> Restructured the organization into a stock company. The Ministry of Commerce and Industry selected the KUBOTA Oil Engine as an "Excellent Domestic Product". <p>1939</p> <ul style="list-style-type: none"> Initial public offering A technical vocational institute was set up in each plant. <p>1947</p> <ul style="list-style-type: none"> Developed a cultivator and initiated its production and sales.  <p>1953</p> <ul style="list-style-type: none"> Changed the corporate name to Kubota Tekko K.K. Established Kubota Kenki K.K. and entered the construction equipment business.  <p>1954</p> <ul style="list-style-type: none"> Started production of synthetic plastic pipes. 	<p>1957</p> <ul style="list-style-type: none"> Started production of "Color Best" housing materials. <p>1959</p> <ul style="list-style-type: none"> Started production of spiral welded steel pipes. <p>1960</p> <ul style="list-style-type: none"> Developed and commercialized the first ride-on farm tractor in Japan. Completed overseas waterworks in Phnom Penh, the first of such projects by a Japanese company.  <p>1962</p> <ul style="list-style-type: none"> Established the Water Treatment Division for full-scale entry into the environmental improvement business. Started production of paddy field tractors. <p>1963</p> <ul style="list-style-type: none"> Started production of vending machines.  <p>1964</p> <ul style="list-style-type: none"> Started production of municipal incineration plants. <p>1968</p> <ul style="list-style-type: none"> Started production of rice transplanters. <p>1969</p> <ul style="list-style-type: none"> Started production of combine harvesters. <p>1970</p> <ul style="list-style-type: none"> The KUBOTA pavilion was presented at the Japan Expo. Established the Environmental Equipment Division. Established Kubota Trane, an air conditioning equipment company (presently Kubota Air Conditioner). <p>1972</p> <ul style="list-style-type: none"> Established Kubota Tractor Corporation in the United States as the first overseas sales company for tractors. Full-scale entry into the field of waste incinerators. <p>1974</p> <ul style="list-style-type: none"> Started production of "mini back-hoe" excavators, small-sized construction machinery. Established Kubota Tractor Sales Europe in France, as a sales company for agricultural and construction machinery. <p>1976</p> <ul style="list-style-type: none"> Listed on the New York Stock Exchange. 	<p>1980</p> <ul style="list-style-type: none"> Received an order for an irrigation system for desert greening from the state of Sharkia, Egypt.  <p>1986</p> <ul style="list-style-type: none"> Started production of electronic circuit boards, hard discs, and radio-controlled lawnmowers. <p>1989</p> <ul style="list-style-type: none"> Participated in desert greening projects, the Sahil Greenbelt Plan and the Green Earth Plan. Started production of small-sized construction machinery in Germany (Kubota Baumaschinen GmbH). Started production of tractor implements (working devices) in North America (Kubota Manufacturing of America). <p>1990</p> <ul style="list-style-type: none"> Celebrated our 100th anniversary. Changed the corporate name to KUBOTA Corporation. Co-presented a fountain and water-splitting machine "ALEPH" at the International Garden and Greenery Exposition.  <p>1993</p> <ul style="list-style-type: none"> Announced the management policy "Vision for our Second Century of Business". Acquired the exhaust gas certification from the state of California in the United States, the first in the world for a diesel engine. <p>1998</p> <ul style="list-style-type: none"> Started the combine harvester business in China (Kubota Agricultural Machinery (Suzhou)). Started production of cast steel products in China for the petrochemical market (Jiangsu Biaoxin Kubota Industrial Co.,Ltd.). <p>2001</p> <ul style="list-style-type: none"> All of the Company's domestic establishments acquired the ISO 14001 certification. Vigorously promoted the overseas submerged membrane business (Kubota Membrane Europe). <p>2003</p> <ul style="list-style-type: none"> Established Kubota Works as the first special subsidiary. (a subsidiary with the aim of promoting employment for persons with disabilities.) Established Kubota Construction Machinery (Shanghai) as a sales company for construction machinery in China. 	<p>2004</p> <ul style="list-style-type: none"> Started marketing of the "UV (Utility Vehicle)," a multi-purpose four-wheel vehicle, in North America. <p>2005</p> <ul style="list-style-type: none"> Established the "5-Gen Dojo," a training school for manufacturing Our Teshima Illegal Waste Dump Raw Material Recovery System won the Minister of Economy, Trade and Industry Prize at the Excellent Environmental Equipment Awards. <p>2006</p> <ul style="list-style-type: none"> Formulated the Corporate Mission Statement, Management Principles, Charter for Action, and Code of Conduct of the KUBOTA Group. Completed a new factory for tractor implements in the U.S. (Kubota Industrial Equipment Corporation). <p>2008</p> <ul style="list-style-type: none"> Started "KUBOTA e-Project" social contribution activities. Established Kubota Agricultural Machinery India, as a local sales company for agricultural machinery. <p>2009</p> <ul style="list-style-type: none"> Completed the first tractor production plant for a Japanese company in Thailand (SIAM KUBOTA Corporation).  <p>2010</p> <ul style="list-style-type: none"> On the 120th anniversary, a new slogan "For Earth, For Life" was adopted for the KUBOTA Group. Certified as an "Eco-First Company" by Japan's Ministry of the Environment. Started production of combine harvesters in Thailand (SIAM KUBOTA Corporation). Established a pump production and sales company in China (Anhui Kubota Sanlian Pump). Completed Kubota Sun-Vege Farm, Kanan Farm, a special subsidiary. <p>2011</p> <ul style="list-style-type: none"> Started operation of the Eco-Products Certification System. Completed a cast steel product plant in Saudi Arabia (Kubota Saudi Arabia Company). Completed a construction machinery plant in China (Kubota Construction Machinery (Wuxi)). Started the long-term care business for local cities and rural areas (Kubota Life Kyushu).
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KUBOTA started with production and marketing of cast metal products. Ever since its foundation, it has provided a large variety of products that contribute to people's lives and society, including iron pipes for waterworks, engines for agricultural and industrial purposes, and machine tools. All of its business organizations and products have been developed under the basic idea that "Society keeps corporations going forward."


History of KUBOTA's products



Directors, Corporate Auditors and Executive Officers

As of June 22, 2012

Directors



Representative Director,
Chairman,
President & CEO
Yasuo Masumoto




Director and
Senior Managing
Executive Officer
Satoru Sakamoto



Representative Director
and Executive Vice President
Tetsuji Tomita




Director and
Senior Managing
Executive Officer
Masatoshi Kimata




Director and
Managing
Executive Officer
Toshihiro Kubo



Director and
Managing
Executive Officer
Shigeru Kimura



Outside Director
Yuzuru Mizuno



Outside Director
Junichi Sato

Executive Officers

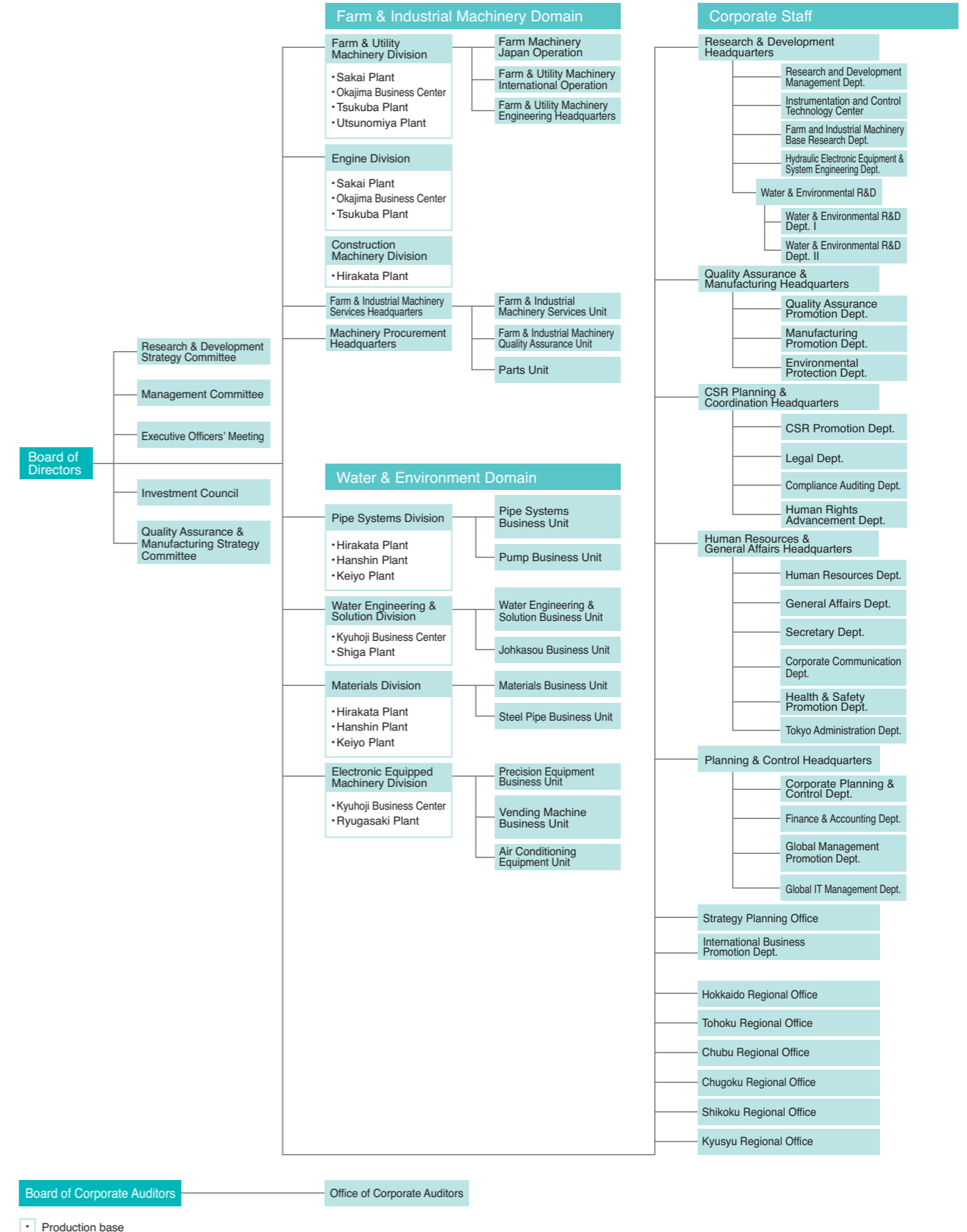
Senior Managing Executive Officer	Takeshi Torigoe
Senior Managing Executive Officer	Nobuyuki Toshikuni
Managing Executive Officer	Katsuyuki Iwana
Managing Executive Officer	Kenshiro Ogawa
Managing Executive Officer	Tetsu Fukui
Managing Executive Officer	Satoshi Iida
Managing Executive Officer	Yujiro Kimura
Executive Officer	Masakazu Tanaka
Executive Officer	Taichi Ito
Executive Officer	Shinji Sasaki
Executive Officer	Hiroshi Matsuki
Executive Officer	Yuichi Kitao
Executive Officer	Kunio Suwa
Executive Officer	Toshihiko Kurosawa
Executive Officer	Hiroshi Kawakami
Executive Officer	Satoshi Machida
Executive Officer	Masaharu Tabata
Executive Officer	Yoshiyuki Fujita
Executive Officer	Kaoru Hamada
Executive Officer	Takashi Uei
Executive Officer	Hironobu Kubota
Executive Officer	Junji Ogawa
Executive Officer	Yasuo Nakata
Executive Officer	Masato Yoshikawa

Corporate Auditors

Corporate Auditor	Hirokazu Nara
Corporate Auditor	Hiroshi Shiaku
Corporate Auditor	Masao Morishita
Corporate Auditor	Akira Negishi
Corporate Auditor	Ryoji Sato

Organization

As of August 1, 2012



Corporate Data

Corporate Name	KUBOTA Corporation
Head Office	2-47, Shikitsu Higashi 1-chome, Naniwa-ku, Osaka 556-8601 Japan
Established	1890
Capital	¥84,070 million (as of March 31, 2012)
Total number of shares issued	1,285,919,180 (as of March 31, 2012)
Number of shareholders	44,356 (as of March 31, 2012)
Revenues	¥1,008,019 million (Fiscal Year ended March 31, 2012 (Consolidated))
Number of employees	29,185 (as of March 31, 2012 (Consolidated))



Head office



Backed up by high quality on an international level, the KUBOTA Group is stepping up the pace of business operations overseas through expansion of production bases and other such activities. We intend in the future to further consolidate our global management structure and to continue expanding as a corporate group deemed indispensable by people around the world.

Plants, offices and main affiliates in Japan

- **Head offices**
 Head Office (Osaka)
 Hanshin Office (Amagasaki, Hyogo Prefecture)
 Tokyo Head Office (Tokyo)
- **Regional offices & Branch offices**
 Hokkaido Regional Office (Sapporo)
 Tohoku Regional Office (Sendai)
 Chubu Regional Office (Nagoya)
 Chugoku Regional Office (Hiroshima)
 Shikoku Regional Office (Takamatsu)
 Kyusyu Regional Office (Fukuoka)
 Yokohama Branch (Yokohama)
- **Sales Offices**
 Wakayama Sales Office (Wakayama)
 Kumamoto Sales Office (Kumamoto)
 Okinawa Sales Office (Naha)
- **Factories, plants and business centers**
 Sakai Plant (Sakai, Osaka Prefecture)
 Agricultural machinery and engines
 Hirakata Plant (Hirakata, Osaka Prefecture)
 Construction machinery, valves, pumps and steel castings
 Tsukuba Plant (Tsukubamirai, Ibaraki Prefecture)
 Agricultural machinery and engines
 Ryugasaki Plant (Ryugasaki, Ibaraki Prefecture)
 Vending machines
 Utsunomiya Plant (Utsunomiya)
 Agricultural machinery
 Keiyo Plant (Funabashi/Ichikawa, Chiba Prefecture)
 Ductile iron pipes and spiral welded steel pipes
 Shiga Plant (Konan, Shiga Prefecture)
 Septic tanks
 Hanshin Plant (Amagasaki, Hyogo Prefecture)
 Ductile iron pipes and mill rolls
 Kyuhoji Business Center (Yao, Osaka Prefecture)
 Electronic equipped machinery
 Okajima Business Center (Osaka)
 Engines and iron castings
- **Main affiliates**
 16 domestic agricultural machinery sales companies including Hokkaido KUBOTA Corporation (As of August, 2012)
 Sales of agricultural machinery
 Kubota Farm & Industrial Machinery Service Ltd. (Sakai, Osaka Prefecture)
 Integrated agricultural machinery service
 Kubota Agri Japan Corporation (Osaka)
 Technical and sales guidance on agricultural machinery
 Kubota Credit Co., Ltd. (Osaka)
 Installment loan purchasing
 KUBOTA Construction Machinery Japan Corporation (Amagasaki, Hyogo Prefecture)
 Sales of construction machinery
 Kubota-C.I. Co., Ltd. (Osaka)
 Manufacturing and sales of pipes and couplings in PVC and other polymers
 Nippon Plastic Industry Co., Ltd. (Komaki, Aichi Prefecture)
 Manufacturing and sales of vinyl pipes and various types of sheets
 Kubota Environmental Service Co., Ltd. (Tokyo)
 Operation, maintenance, design, construction, remodeling and repair of water and waste treatment facilities, along with sales of pharmaceutical and other supplies; analysis of water quality, air, waste, etc.
 Kubota Air Conditioner, Ltd. (Tokyo)
 Manufacturing and sales of various types of air-conditioning equipment
 Kubota Construction Co., Ltd. (Osaka)
 Service water and sewage, civil engineering and construction contracting
 KMEW Co., Ltd. (Osaka)
 Manufacturing and sales of roofing and siding materials

The KUBOTA Group's overseas business sites and main overseas affiliates ● Overseas offices ● Main overseas affiliates ● Production sites

North America

- 1 **Kubota Tractor Corporation**
California, U.S.A.
Sales of tractors, construction machinery, mowers and UVs*
- 2 **Kubota Credit Corporation U.S.A.**
California, U.S.A.
Retail financing of sales contracts
- 3 **Kubota Manufacturing of America Corporation**
Georgia, U.S.A.
Development and manufacturing of small-sized tractors, mowers, UVs* and tractor implements
- 4 **Kubota Industrial Equipment Corporation**
Georgia, U.S.A.
Manufacturing and installation of tractor implements and assembly of tractors, etc.
- 5 **Kubota Engine America Corporation**
Illinois, U.S.A.
Sales of engines and generators
- 6 **Kubota Insurance Corporation**
California, U.S.A.
Non-life insurance underwriting
- 7 **Kubota Tractor Acceptance Corporation**
California, U.S.A.
Business of insurance agencies in the United States
- 8 **Kubota Membrane U.S.A. Corporation**
Washington, U.S.A.
Sales of submerged membranes
- 9 **Kubota Canada Ltd.**
Ontario, CANADA
Sales of tractors, construction machinery, engines, mowers and UVs*
- 10 **Kubota Metal Corporation**
Ontario, CANADA
Manufacturing and sales of steel casting products

Europe

- 11 **Kubota Europe S.A.S.**
Argenteuil, FRANCE
Sales of tractors, construction machinery, engines, mowers and UVs*
- 12 **Kubota (Deutschland) GmbH**
Rodgau/Nieder-Roden, GERMANY
Sales of tractors, engines, mowers and UVs*
- 13 **Kubota Baumaschinen GmbH**
Zweibrücken Rheinland-Pfalz, GERMANY
Manufacturing and sales of construction machinery
- 14 **Kubota (U.K.) Ltd.**
Oxfordshire, U.K.
Sales of tractors, construction machinery, engines, mowers and UVs*
- 15 **Kubota Membrane Europe Ltd.**
London, U.K.
Sales of submerged membranes
- 16 **Kubota España S.A.**
Madrid, SPAIN
Sales of tractors, mowers and UVs*
- 17 **Kverneland ASA**
Kverneland, NORWAY
Manufacturing and sales of tractor implements

Asia & Oceania

- 18 **Kubota Korea Co., Ltd.**
Seoul, KOREA
Sales of tractors, combine harvesters, rice transplanters and construction machinery
- 19 **Kubota China Holdings Co., Ltd.**
Shanghai, CHINA
Regional headquarters in China
- 20 **Kubota China Financial Leasing Ltd.**
Shanghai, CHINA
Financial leasing business for Kubota's main products including construction and agricultural machinery
- 21 **Kubota Agricultural Machinery (SUZHOU) Co., Ltd.**
Jiangsu, CHINA
Manufacturing and sales of combine harvesters and other agricultural machinery
- 22 **Kubota Construction Machinery (WUXI) Co., Ltd.**
Jiangsu, CHINA
Manufacturing of construction machinery
- 23 **Kubota Engine (SHANGHAI) Co., Ltd.**
Shanghai, CHINA
Sales of engines
- 24 **Kubota Construction Machinery (SHANGHAI) Co., Ltd.**
Shanghai, CHINA
Sales of construction machinery
- 25 **Kubota Guozhen Environmental Engineering (ANHUI) Co., Ltd.**
Anhui, CHINA
Plant engineering of membrane bioreactors, and manufacturing and sales of membrane units, for the water treatment market
- 26 **KUBOTA SANLIAN PUMP (ANHUI) Co., Ltd.**
Anhui, CHINA
Manufacturing and sales of pumps
- 27 **Kubota Environmental Engineering (SHANGHAI) Co., Ltd.**
Shanghai, CHINA
Plant engineering and sales of equipment for the water treatment market
- 28 **Jiangsu Biaoxin Kubota Industrial Co., Ltd.**
Jiangsu, CHINA
Manufacturing and sales of steel casting products
- 29 **Shin Taiwan Agricultural Machinery Co., Ltd.**
Kaohsiung City, TAIWAN
Sales of tractors, agricultural machinery, mowers, UVs,* construction machinery and agriculture-related products
- 30 **Kubota Rice Industry (H.K.) Co., Ltd.**
Hongkong, CHINA
Rice sales business in Hong Kong
- 31 **Kubota Philippines, Inc.**
Quezon City, PHILIPPINES
Sales of tractors, combine harvesters, rice transplanters, engines, power tillers, etc.

- 32 **SIAM KUBOTA Corporation Co., Ltd.**
Pathumthani, THAILAND
Manufacturing and sales of tractors, combine harvesters, horizontal diesel engines and power tillers, and sales of construction machinery
- 33 **SIAM KUBOTA Metal Technology Co., Ltd.**
Chachoengsao, THAILAND
Manufacturing of casting components for engines and tractors
- 34 **KUBOTA Engine (Thailand) Co., Ltd.**
Chachoengsao, THAILAND
Manufacturing of vertical type diesel engines
- 35 **Siam Kubota Leasing Co., Ltd.**
Pathumthani, THAILAND
Retail financing for tractors and combine harvesters
- 36 **Kubota Vietnam Co., Ltd.**
Binh Duong Province, VIETNAM
Manufacturing and sales of tractors, combine harvesters and rice transplanters
- 37 **Sime Kubota Sdn. Bhd.**
Selangor Darul Ehsan, MALAYSIA
Sales of tractors and engines
- 38 **P. T. Kubota Indonesia**
Semarang, INDONESIA
Manufacturing and sales of small diesel engines
- 39 **P. T. Metec Semarang**
Java Tengah, INDONESIA
Consignment manufacturing of vending machines and vending machine parts

- 40 **Kubota Agricultural Machinery India Pvt., Ltd.**
Chennai, INDIA
Sales of tractors, combine harvesters and rice transplanters
- 41 **Tata Metaliks Kubota Pipes Ltd.**
Kolkata, INDIA
Manufacturing and sales of ductile iron pipes and accessories
- 42 **Kubota Saudi Arabia Company, LLC**
Dammam, SAUDI ARABIA
Manufacturing and sales of steel casting products
- 43 **Kubota Tractor Australia Pty. Ltd.**
Victoria, AUSTRALIA
Sales of tractors, construction machinery, engines, mowers and UVs*
- A **Beijing Office**
Beijing, CHINA
- B **Hanoi Office**
Hanoi, VIETNAM
- C **Malaysia Branch**
Jaya, Selangor, MALAYSIA
- D **Singapore Branch**
Singapore, SINGAPORE
- E **Dubai Branch**
Dubai, UNITED ARAB EMIRATES

The KUBOTA Group Global Network

Glossary * UVs Utility Vehicles.

WEB Corporate Information <http://www.kubota-global.net/c-data/>



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