

Q. Could you please tell us about your ambitions upon having been newly appointed as the President?

A. I plan to carry on the goals originally set forth under former President Kimata under the Global Major Brand (GMB) Kubota goals, which are to achieve top-ranking sales and earnings worldwide and to grow into a company that is capable of contributing the utmost to society.

Currently, a major phase of transformation in the global economy is approaching. Looking out over the next decade, we expect substantial changes in the operating environment, which includes our business domains of food, water and the environment, and it is unlikely that Kubota will survive by only relying on the product sales and services that we have engaged in thus far.

Amid these changes, I believe that innovation will constitute the key to our achieving growth going forward. Kubota has advanced, focusing on product development, looking two to three years ahead up until now, but going forward will need to take on product development in a manner that anticipates changes materializing one to two decades hence. To such ends, building a foundation for our R&D system is essential. We are currently looking to set up an R&D center for advanced technologies in Sakai City, Osaka, and centered around this R&D center, we are planning to strengthen ties with R&D centers in various areas of the world, and develop a system to stimulate research in response to the waves of change in the environment. We will also focus our efforts on taking an open innovation approach which will involve establishing Innovation Centers worldwide and coordinating with startup businesses, companies in other industries, universities, research institutes, and other external partners. I believe that we must aim to act as a company that can provide total solutions drawing on technologies that have been created using resources from both within and outside the company.

Q. Would you please cite a specific example of total solutions?

A. For instance, rural villages in Japan are encountering many issues such that include aging of residents and depopulation, combined with shortages of agricultural workers associated with such demographic changes. We believe that the key strategies for solving such challenges will involve digital transformation. So in an agricultural context, the use of digital information such as that describing crop yields and fertilizer dispersion with respect to individual plots of farmland can play a role in ensuring farm succession and alleviating worker shortages by enabling those lacking agricultural experience to smoothly embark on the task of farm work. In that regard, we have already been performing services related to our Kubota Smart Agri System (KSAS) and are taking steps to build agri-platforms that not only handle data such as field information, but also data regarding equipment operational status and positioning, with future applications involving

machinery sharing and crop sales information. Furthermore, we will be able to provide total solutions on a region-wide basis by integrating the technologies and products of our Water & Environment business with agri-platforms. We believe that we will also be able to propose solutions such as systems for automatically controlling the volume of water used in rice fields and agricultural practices that utilize energy created by the use of methane fermentation technologies. Kubota's strength is developing a wide range of businesses, including those in the realms of food, water and the environment.

Kubota also wields strengths in terms of being able to smoothly fuse physical and digital realms in the course of actually engaging in global manufacturing and sales of equipment and water- and environment-related products, in a similar manner as IT companies worldwide. With the creation of our platforms, we will transform agriculture on an industry-wide basis by enlisting the participation of our industry peers, while coordinating with IT firms, etc.

Q. How do you intend to contribute to the Sustainable Development Goals (SDGs)?

A. Through our business activities, we will strengthen our contribution toward helping to address food and water issues worldwide. In order to accelerate the pace of such contributions, we must take on challenges particularly involving new businesses and geographic regions. As an initiative to address the goal of "Zero Hunger," for instance, we are placing focus on developing business in geographic regions where agricultural mechanization needs to be promoted. India is one such country. Although our sales of tractors currently amount to about 1% of the nation's market, we aim to increase that share to 7% by the year 2025 by setting up a joint venture company and embarking on local production. We would definitely like to achieve success, as the tractor market in India is the largest in the world.

Another such geographic region is Africa. Participants of the Tokyo International Conference on African Development (TICAD) in 2019 increased self-sufficiency targets, having set the aim of doubling the region's rice production by 2030. At Kubota, our history first began with the popularization of the power tiller. We believe that, by advancing mechanization, we can contribute to improving efficiency of farming operations, reducing harvesting loss, and increasing food production. In recent years, we have also started sales of tractors and combine harvesters. We regard the notion of strategically developing business aligned with local needs as crucial going forward.

Q. Among the SDGs, what targets in particular would you like to make a conscious effort to work

toward?

- A. We would like to make a conscious effort in working toward the goal of “Climate Action,” in addition to finding solutions to address food shortages and water-related issues. This is because changes in forms of agriculture such as the shifting of suitable land due to rising temperatures could be a significant risk for Kubota.

In the engine business, we have been developing and manufacturing clean engines that consistently satisfy stringent emission regulations. Looking ahead, in addition to concentrating our efforts on developing products with low carbon dioxide emissions, we will also engage in R&D for the electrification of agricultural and construction machinery, and for products fueled by hydrogen and methane gas.

In our Water & Environment business, it is possible to effect change in Asia’s agricultural sector to make it more resilient to climate change and natural disasters. Asia’s agricultural production is greatly affected by factors that include droughts and heavy rains due to irrigation systems being less prevalent. Farmland water management will remain an important challenge amid the likelihood of increasing desertification of agricultural land due to effects of climate change.

News that a Japanese doctor, who was killed in Afghanistan last year, made efforts to reclaim farmland in part by building irrigation canals on land devastated by civil war attracted attention. In the past, Kubota has also taken part in desert greening projects in Egypt, and I believe we can contribute to society through such initiatives.

- Q. What would you like shareholders to expect of Kubota going forward?

- A. Kubota has been evolving in step with society for 130 years premised on the sentiment of Kubota’s founder Gonshiro Kubota who believed that “our products should be not only technically excellent, but also useful for the good of society.” For instance, we were the first in Japan to successfully establish domestic mass production of water pipes, which reduced incidences of water-borne disease. Also, our efforts to develop agricultural equipment resulted in increased food production during the post-war era. Over this coming decade of transformation, Kubota will strive to create innovation as a “platformer supporting life,” an identity that reflects our role in our business domains of food, water and environment, which are fundamentally essential for people. By continuing to be the company whose customers continually believe Kubota’s services are essential for solving society’s issues and environmental problems, we are working to establish the truly GMB Kubota.

We look forward to ongoing support and encouragement of our shareholders going forward.

[Introducing the new President Kitao]

- What caused you to join Kubota?

I landed employment at Kubota thanks to a longtime friend who told me that there was a good company to work for located in my hometown, Osaka.

- What experience got you truly invested in your work?

Two experiences stand out. They both involve the “On Your Side” approach to staying attuned to customers, which I regard as a fundamental aspect of business.

First, the opportunity to live on a dairy farm for one month was deeply unforgettable, as during that time I was immersed in the lifestyle of our customers which enabled me to hear from them first-hand. At the time, I worked at the Hokkaido research branch after being assigned to tractor design and development. I would begin my day at 5:00 in the morning and work with other farmhands to the point of exhaustion taking on tasks that included cleaning barns and milking cows. My experience taught me that dairy farmers who raise animals need access to farm equipment that does not break down given the importance that their work proceeds without a hitch on a daily basis.

A second experience that stands out was an incident I encountered when engaging in tractor sales while I was posted to operations in the United States. During my market research where I visited dealerships across the U.S., I was at a dealership and an angry customer told me that parts he had ordered had yet to arrive, and that he would not let me leave until the parts were delivered. I was taught about the importance of each and every product to the dealership, and about their basis for conducting business.

- Do you have a particular motto?

My motto is “always abide by principles and basic rules,” partially due to my many years of experience in product development. Machinery invariably provides straightforward cues, and words spoken by dealers and customers provide essential information.

In addition, I will take an approach that upholds the strong belief of Kubota’s third President Daizo Odawara that “before making products you must develop your employees; and to develop your employees, top management must be role models for them.”