

Top Message



The Kubota Group Business Activities

Contributing to solving global issues with products, technologies and services

The Kubota Group positions its corporate philosophy—the Kubota Global Identity—as the foundation of corporate management. On the basis of this philosophy, we wish to be a corporate group in which each and every officer and employee fosters awareness to whether or not the Kubota Group activities are helping to resolve issues in the fields of food, water and the environment, and contributing to society.

Many regions of the world are facing various issues concerning food, water and the environment. Amid such an era, Kubota's business opportunities and social responsibility are increasingly growing.

Review of the year ended December 2016

Severe year due to sharp appreciation of the yen and stagnant Japanese market

I first report our performance of fiscal year ended December 2016.

Sales in Japan remained weak partly due to slowdown in the agricultural machinery market. As for overseas revenues, despite strong sales of construction machinery and combine harvesters, sales were lower than those for the same period in the previous year, due to sluggish performance of tractors and implements and the significant impact of rapid appreciation of the yen.

Meanwhile, the M7001 Series, the Kubota Group's first large tractor series for upland farming, earned a good reputation among dealers in Europe, where the series had been launched in advance, enjoying steady sales. We plan to further accelerate the sales expansion in Europe and North America, while gradually making full-scale launches in markets in other regions such as Australia and Japan. Although the competition is increasingly intensified in the sluggish agricultural machinery market, high reputation from several overseas countries gives us confidence in further expanding our businesses.

Strengths of the Kubota group

Promoting corporate management based on its corporate philosophy "Kubota Global Identity"

In recent years, Kubota has been facing unprecedentedly rapid and large-scale changes in its surrounding business environment. Under such circumstances, the Kubota Group persistently pursues the principles of "Customer First" and "Priority Onsite" in all aspects of the product functions, quality, and services, and will further enhance its competitiveness. It is more than ever important for us to offer, through the global network we have developed, the value that only Kubota can achieve and gain understanding widely from customers both inside and outside Japan.

The world-renowned Kubota Quality is based on our corporate philosophy "Kubota Global Identity," which we have fostered ever since our foundation, aiming toward contributing to the development of society. The Spirits (our spirits and attitudes) declared in the Kubota Global Identity are closely related to our widely recognized products, technologies and services.

The corporate philosophy is also embodied in our global business development. In July 2016, we acquired Great Plains Manufacturing, Inc., a US agricultural implement manufacturer. It was our management stance of respecting customers and employees that made them choose the Kubota Group as their partner. We will continue to promote business management based on our corporate philosophy, aiming to become a corporate group that is truly trusted and favored by society.

Issues and initiatives in the medium to long term

Promoting initiatives toward realization of "Global Major Brand Kubota"

Now that we have entered the era of dynamic changes in the business environment, in order to keep up with the turbulent trends and secure the growth in the medium to long term, we will further accelerate the initiatives toward realization of the "Global Major Brand (GMB)" that Kubota aims at. We will improve all of our business processes, from product development to production and sales.

While pursuing the creation of products that impress customers, we will establish a production system centering around the "plants that create an impression," with the aim of achieving the world top position in all aspects of the quality, cost and delivery reliability. Our priority task is to further implement sales and services based on the Customer First principle. To facilitate implementation of these initiatives, we will also endeavor to develop human resources who will "challenge the unknown with creativity and courage."

Realization of GMB means pursuit of world dominance in all business factors. By sharing this understanding, all employees, as well as management, will become more motivated than ever in tackling their respective tasks.

Business development for the year ending December 2017

Improving earning power and accelerating business development in strategic fields

In order to achieve growth in the medium to long term and expand our customer base, we must increase profits in a sustainable manner. In fiscal 2017 (year ending December 2017), we will focus on "profit increase" as the source of our growth, along with "sales increase" to be achieved through accelerated business development in strategic fields.

To be specific, we will be committed to ceaselessly improving manufacturing capabilities, which is a perpetual obligation of manufacturers, through deployment of the Kubota Production System (KPS). The lead time reduction project launched in 2016 is an example of our commitment. This project aims at not only reducing the lead time in every business process but also expediting improvements. Moreover, we will deploy the KPS not only to all of our plants both inside and outside Japan, but also to indirect departments and to the entire supply chain in cooperation with hundreds of our supplier companies, thereby improving business efficiency.

At the same time, through the deployment of the KPS to all Group companies and segments starting from fiscal 2017, we will thoroughly eliminate waste in all processes from order receipt to purchasing, production, shipment, delivery, sales, and collection of receivables, and will also achieve just-in-time operations. Furthermore, by improving the speed of product supply through the lead time reduction project, we will reduce inventories and expand market share.

As to business development in strategic fields, we will accelerate our initiatives in the businesses of agricultural machinery for upland farming and overseas construction machinery.

In the business of agricultural machinery for upland farming, full-scale deployment of the M7001 Series large tractors for upland farming is urgently necessary. This series has gained a very good reputation from customers and dealers for its highly competitive performance in all aspects of farm work, such as operability, productivity, compatibility with implements, and durability. We will further promote product improvement and development tailored to the needs of each market in Europe, North America, Japan and others, as well as the prompt provision of services, thereby expanding the business.

In the business of overseas construction machinery, with skid steer loaders added to our product lineup of compact excavators and compact truck loaders, we are ready to expand our share in the market. We will enhance our sales activities to solidify the base for becoming the top small-sized construction machinery manufacturer in the North American market.

In order to accelerate the business development in the strategic fields, we will also place high priority on the development of advanced technologies, such as IoT (Internet of Things) and Robot technologies while working to raise the fundamental technology development capabilities, with the aim of further enhancing our competitiveness.

Pursuing CSR management

Placing greater emphasis on social responsibility amid global business expansion

For the realization of GMB, fulfillment of CSR, corporate social responsibility, from a global perspective will become increasingly important. Through earnestly engaging in CSR activities based strongly on our corporate philosophy, the Kubota Global Identity, we will build and strengthen relationships of trust with customers and communities all over the world.

For quality, in particular, we will reinforce concrete measures to create products with the quality appropriate for GMB, comprising more attractive value that will make customers feel happy to use them.

Ensuring compliance is also very important. Keeping in mind the basic principle of "Under no circumstances shall a member of the Kubota Group seek sales or profit at the expense of sacrificing the dignity of the entire Group," we will perform business operations in compliance with the laws and regulations.

In the aspect of the environment, in accordance with "Medium-Term Environmental Conservation Targets 2020," we will advance our initiatives for both production activities and products. Not only responding to the environmental regulations, we will also aim to create new environment-related businesses by utilizing our environmental technologies.

Kubota conducts business activities in around 110 countries around the world. To realize the GMB Kubota in an era of global competition, we will enhance initiatives to ensure diversity and good working environment. We actively recruit non-Japanese managers to promote localization of management, create a workplace environment where women and other diverse human resources easily play active roles, and promote revision of the personnel system and enhancement of education and training programs. At the same time, we will advance initiatives to help improve work efficiency and reform working style, thereby supporting childbirth, childcare, and nursing care of our employees. By also making efforts to ensure safety management, we will comprehensively improve our corporate vitality as the source of our competitiveness.



To our Stakeholders

Realization of GMB is a high target for the Kubota Group. We will make company-wide efforts to tackle this challenge, keeping close to our heart the message left by our founder Gonshiro Kubota: With the strong belief of "It can be done," you can achieve anything. Taking over the tradition of a company that achieved domestic production of water pipes and mechanization of agriculture for the first time in Japan, thereby contributing to the development of society, we will make continuous efforts to become a company trusted by customers and society.

We sincerely request your continuous support.

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President and Representative Director,
Kubota Corporation

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