

Kubota Announces North American Manufacturing Expansion

Kubota Corporation has announced that a new manufacturing facility will be built on the property of the local subsidiary, Kubota Metal Corporation (KMF), to establish business to manufacture TXAX brand friction material for use in the production of automotive brake pads. Construction will start in June 2012 with completion by December and planned full production of the initial phase by April 2013. A planned future expansion will double the capacity of the facility. This plant will supply current North American markets and also provide capacity for global growth.

Kubota has been manufacturing potassium titanate in Japan under the brand name TXAX for use as friction material in automotive braking and clutch applications for over 10 years. Demand for a healthy, environmentally friendly alternative to asbestos materials has led to a rapid organic growth of the TXAX business. Strong North American sales and expanding demand in both new cars and after-market products has contributed to this decision. Kubota uses “Market-in” philosophy to expand business globally to meet customer’s requirements, reduce transportation costs. Global manufacturing hedges risks associated with a strong single currency and geographic risk factors.

This plant will be a significant part of KMF’s growth strategy. KMF is targeting to double sales with a combination of TXAX, by increasing sales of existing product lines, and by the introduction of other new products.

Outline of new plant

- Location: Orillia, Ontario, Canada (on KMF property)
- Facility: Building: 3,600 m² (39,000 ft²)
Total lot size: 19.2 ha (47 acres)
- Capital investment: \$12.4M CAD (estimated)
- Product name: TXAX (Potassium titanate)
- Use of product: Friction material for automotive brake pads
- Production capacity: 1,000t/yr
- Production starting date: April 2013 (as planned)
- Number of employees: 20 (approximate number after phase 2)

About TXAX

Potassium titanate is a stable inorganic chemical compound which is strong and tough with high abrasion resistance. The unique structure and geometry of Kubota's potassium titanate (TXAX) allows it to be safely handled and used in friction applications as approved by the U.S. Environmental Protection Agency. TXAX has been used for various purposes such as friction material in brakes and clutches in various machines including automobiles; as a reinforcing material for plastic and metal products; and as coating material.

About Kubota Metal Corporation

KMF is steel alloy foundry with integrated machining fabrication and inspection facilities producing primarily high alloy castings used in the petrochemical, steel and mineral processing industries. KMF ships about 3000 tons per year and has approximately 300 employees. It is wholly owned by Kubota Corporation of Osaka, Japan.

About Kubota Corporation

Headquartered in Osaka Japan, Kubota is a global leader in agricultural and industrial equipment, water and environmental systems and social infrastructure. The group is focused on providing products, technologies and services that nurture the global environment and fulfill mankind's basic needs. It has revenue of over ¥933 billion (\$11.3 billion CAD) employs over 25,000 people worldwide.

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