



In order to speed up its response to management conditions and increase transparency in its management, Kubota has been committed to enhancing its corporate governance structure. Moreover, by building an internal control system and implementing steady yet continuous improvements during its business activities, Kubota not only enforces the observance of laws and regulations, but also reduces risks.

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Corporate Governance

Basic Policy

The Company has designated “long-term and stable growth of corporate value” as its highest management priority. To realize this aim, the Company considers enhancement of the satisfaction of all the Company’s stakeholders and improvement of overall corporate value, while balancing economic value and social value, to be important. Especially, in order to achieve the long-term objectives of building “Global Major Brand Kubota” on the basis of its corporate philosophy “Kubota Global Identity,” the Company must be an enterprise that is trusted not just in Japan but also worldwide. In order to enhance the soundness, efficiency, and transparency of business management, which are essential to earn trust, the Company is striving to strengthen its corporate governance.

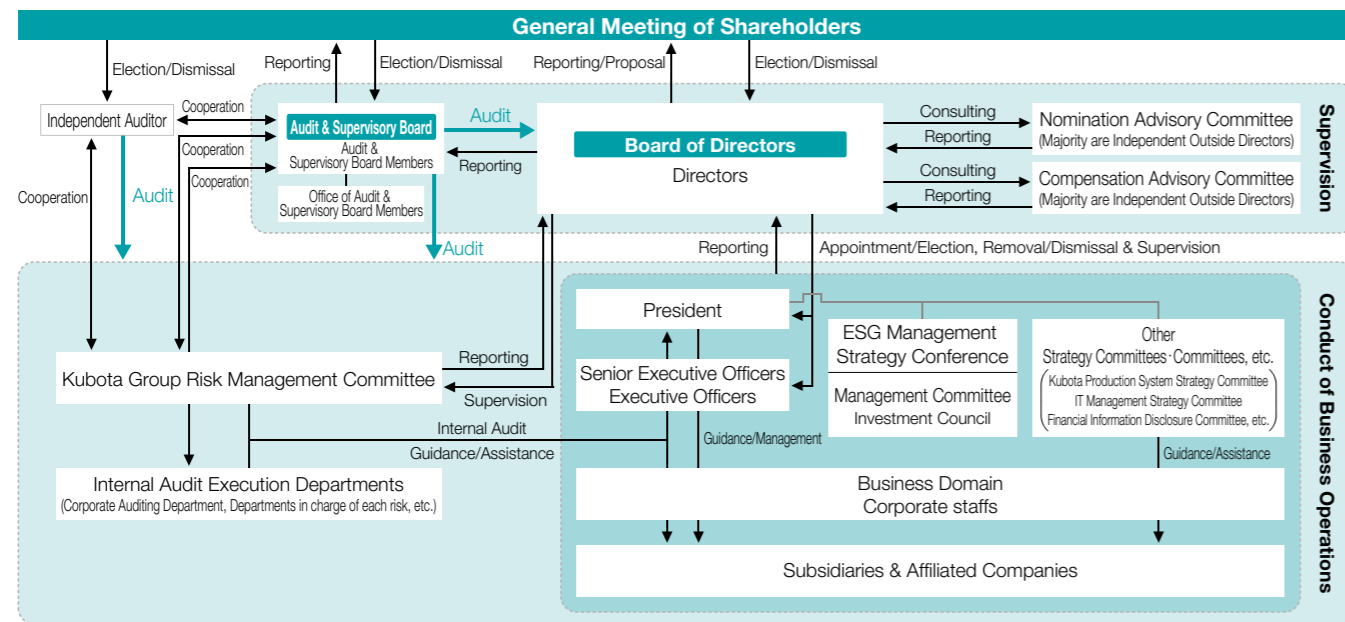
Corporate Governance System

Organization Structure

Policy of Organization Structure

The Company is basically a company with an Audit & Supervisory Board but also has a voluntary Nomination Advisory Committee and Compensation Advisory Committee. The Company has a wide range of business domains that include the areas of food, water, and the environment. Considering the scope of these domains, the Company believes that the most appropriate governance structure is one in which the Board of Directors makes decisions on major fundamental management policies, based on the perspectives of internal Directors with in-depth experience and knowledge in particular areas of the Company’s businesses as well as the objective viewpoints and broad knowledge of Outside Directors. The Board of Directors also supervises and oversees the Executive Officers’ conduct of business. On the other hand, the Audit & Supervisory Board Members, who are legally independent from the Board of Directors, provide a monitoring function through the highly effective, independent audit function. The Company believes having the voluntary Nomination Advisory Committee and Compensation Advisory Committee, where the majority of members are Outside Directors, enables it to secure objectivity and transparency on matters regarding personnel and remuneration of officers, etc., and attain sustainable growth and increase its corporate value in the medium to long term while securing sound, efficient, and effective business management.

Corporate Governance Structures



Board of Directors

The Board of Directors makes strategic decisions and oversees the execution of duties by the Executive Officers. 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.

Audit & Supervisory Board

Kubota has the Audit & Supervisory Board independently, which oversees and audits the execution of duties by the Directors. In addition to its regular monthly Audit & Supervisory Board Meetings, it also meets as and when required to discuss and make decisions on auditing policy, audit reports, and other matters.

Nomination Advisory Committee and Compensation Advisory Committee

The Company has a voluntary Nomination Advisory Committee and Compensation Advisory Committee in place as the advisory bodies of the Board of Directors. To incorporate an independent and objective standpoint, Outside Directors account for more than half of constituent members of both committees, and an Independent Outside Director serves as chairperson of the committees.

The Nomination Advisory Committee met three times during the fiscal year for the purpose of deliberating the nomination of candidates for Director and the nomination of Advisors. The committee is also looking at the composition and diversity of the Board of Directors using the skills matrix. Starting in fiscal 2022, the committee added matters related to electing as well as dismissing a president along with succession planning to its agenda once again and actively discusses the qualities and abilities required of the Company’s top management in addition to training methods.

The Compensation Advisory Committee met seven times during the fiscal year for the purpose of discussing both the consistency of levels of compensation paid to the Directors, Executive Officers, and Advisors, and the adequacy of the compensation system. Under the current compensation system, the committee set competitive remuneration levels appropriate for a GMB, and introduced an evaluation system that is strongly linked to growth over the short, medium and long term in order to realize the Company’s Long-Term Vision as set forth in “GMB2030.”

Activity Report of the Nomination Advisory Committee (Period: January 1, 2022 - December 31, 2022)

1	March 15, 2022	Discussion on efforts to build a fair and transparent governance system and deliberation on the evaluation sheet of the President at the time of setting the 2022 targets.
2	September 21, 2022	Deliberation on the succession plan of the President and requirements for presidential candidates, and progress report on the evaluation sheet of the President.
3	October 25, 2022	Deliberation on candidates for the Board of Directors and Advisors.

Activity Report of the Compensation Advisory Committee (Period: January 1, 2022 - December 31, 2022)

1	February 3, 2022	Deliberation on setting targets for each evaluation indicator for the year 2022.
2	February 24, 2022	Deliberation on setting targets for each evaluation indicator for the year 2022.
3	June 7, 2022	Reporting activities concerning K-ESG evaluation indicators for the first half of the year and deliberation on setting targets for the second half.
4	July 6, 2022	Reporting activities concerning K-ESG evaluation indicators for the first half of the year and deliberation on setting targets for the second half.
5	October 28, 2022	Reverification of the current remuneration plan and deliberation on setting remuneration levels for the year 2023.
6	November 30, 2022	Deliberation on the policy for determination of remuneration for the Directors and the remuneration amount for the year 2023.
7	December 14, 2022	Reporting activities concerning K-ESG evaluation indicators for the second half of the year and deliberation on its evaluation.

Composition of Members (as of March 24, 2023)

Figures in brackets [] indicate percentage of attendance in fiscal 2022.

			Nomination Advisory Committee	Compensation Advisory Committee
Outside Director	Yuzuru Matsuda	[100%]	● (Chairperson)	● (Chairperson)
Outside Director	Koichi Ina	[100%]	●	●
Outside Director	Yutaro Shintaku	[100%]	●	●
Outside Director	Kumi Arakane	[100%]	●	●
Outside Director	Koichi Kawana	[—]*	●	●
President and Representative Director	Yuichi Kitao	[100%]	●	●
Executive Vice President and Representative Director	Masato Yoshikawa	[100%]	●	●
Senior Managing Executive Officer	Kazuhiro Kimura	[100%]	●*	●
Outside Audit & Supervisory Board Member	Yuichi Yamada	[100%]		▲ (Observer)

* Appointed on March 24, 2023

ESG Management Strategy Meeting, Management Committee and Investment Council

The Company has established the ESG Management Strategy Meeting, the Management Committee and the Investment Council to make decisions and deliberate on specific important issues. The ESG Management Strategy Meeting formulates policies and evaluates major measures for the realization of the Long-Term Vision of the Company, GMB2030, and the creation of medium- to long-term corporate value. The Management Committee deliberates and make decisions on important management issues, such as investments and loans, in accordance with the Mid-Term Business Plan 2025. Of the management issues deliberated by the Management Committee, important issues are reported to the Board of Directors. The Investment Council serves as an advisory body to the President on issues that require authorization of the President and certain special issues, excluding items discussed by the Management Committee.

Directors and Audit & Supervisory Board Members

Policies and Procedures in the Election, Nomination and Dismissal of Directors and Audit & Supervisory Board Members

1. Policies in the election and nomination

(1) Candidates for Director

In its wide-ranging business domains encompassing the areas of food, water, and the environment, the Company aims to bring about sustainable growth and increase corporate value on a Group-wide basis, thereby engaging in appropriate decision-making and supervising operations. To such ends and in accordance with its rules governing the Board of Directors (requirements for nominating candidates for Director), the Company appoints persons from inside the Company who have a wide perspective and extensive experience relating to the Company's business management, and appoints persons from outside the Company who have a practical and objective perspective along with deep knowledge, having satisfied requirements for an independent officer as stipulated by the Tokyo Stock Exchange (hereinafter, the "TSE") and requirements of the independence criteria set forth by the Company (five of the eleven Directors are Outside Directors).

[Independence Criteria for Outside Directors/Audit & Supervisory Board Members]

The Company has established the Independence Criteria for Outside Directors/Audit & Supervisory Board Members, considering laws and regulations, and provisions of the TSE, among other regulations, to ensure transparency and objectivity in the governance of the Company. The Company shall deem that an Outside Director/Audit & Supervisory Board Member does not satisfy independence from the Company if any of the following items applies to that person.

1. A person who is an executive* of the Company, or who was such an executive within the 10-year period prior to the appointment as Outside Director.

* The term "executive" herein refers to an executive defined as a person who executes business in Article 2, paragraph 3, item 6 of the Regulation for Enforcement of the Companies Act. It includes executive director, executive officer (shikkoyakuin) and employee who execute business, but it does not include audit & supervisory board members.

2. A person who is an Audit & Supervisory Board Member of the Company (excluding Outside Audit & Supervisory Board Member) or who was such an Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member) for the past 10 years before his/her appointment.

3. A major business partner of the Company*, or an executive of such an organization.

* The term "major business partner of the Company" herein refers to a business partner such as a major purchaser of the Company's goods and services in the recent three fiscal years, whose amount of trade with the Company in that fiscal year exceeded 2% of the consolidated revenues of the Company for the same fiscal year.

4. An organization whose major business partner is the Company*, or an executive of such an organization.

* The term "organization whose major business partner is the Company" herein refers to an organization of which the Company is a business partner such as a major purchaser of its goods and services (e.g. a supplier to the Company) in the recent three fiscal years, and the amount of trade with the Company in that fiscal year exceeded 2% of the consolidated revenues of the organization for the same fiscal year.

5. A major lender to the Company*, or an executive of such an organization.

* The term "major lender to the Company" herein refers to a financial institution from whom the Company has obtained loans in the recent three fiscal years, and the outstanding amount of the loans from the lender at the end of that fiscal year exceeded 2% of the consolidated total assets of the Company thereat.

6. A consultant, accounting professional or legal professional who has received economic benefits for services exceeding ¥10 million annually other than remuneration as an officer from the Company in the recent three fiscal years (or, in the case where the receiver of such benefits was an organization such as a corporation or partnership, a person affiliated with such an organization).

7. A major shareholder of the Company*, or if the major shareholder is a corporation, an executive of such a corporation.

* The term "major shareholder of the Company" herein refers to a shareholder who holds more than 10% of the Company's shares on a voting-right ownership basis at the end of the relevant fiscal year, regardless of whether the shares are held in the shareholder's own name or in another name.

8. A director, audit & supervisory board member, accounting advisor, executive officer (shikkoyaku) or executive officer (shikkoyakuin) of a corporation with a relationship with the Company concerning mutual outside Directors/Audit & Supervisory Board Members appointments.

9. A receiver of endowments of economic benefits exceeding ¥10 million annually from the Company in the recent three fiscal years (or, in the case where the receiver of such endowments was an organization such as a corporation or partnership, an executive of such an organization).

10. A spouse or a relative within two degrees of kinship of a person (limited to persons of important position*) set forth in above items 1 to 9.

* The term "person of important position" herein refers to a director, executive officer (shikkoyaku), executive officer (shikkoyakuin) or any person holding a position equivalent thereto.

(2) Candidates for Audit & Supervisory Board Member

To adequately facilitate auditing and monitoring of management, the Company appoints persons who have diverse experience, knowledge, expertise and insight in accordance with the Standards for Auditing by Audit & Supervisory Board Members (the policy for selecting candidates for Audit & Supervisory Board Member). The Company appoints half or more of the candidates from among persons who satisfy requirements for an independent officer as stipulated by the TSE, of which the Company appoints one person (certified public accountant, etc.) who has a high degree of expert knowledge and experience relating to accounting and finance (three of the six Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members).

2. Procedures in the election, nomination and dismissal

(1) Procedures in the election, nomination and dismissal of Directors

Appointment of Directors is implemented by resolution of the General Meeting of Shareholders after resolution of the Board of Directors, following deliberation by the Nomination Advisory Committee (five out of eight of whose members are Outside Directors).

The Nomination Advisory Committee conducts deliberation with appropriate involvement and advice from the Outside Directors from the perspectives of each candidate's eligibility (such as experience, abilities, expertise, and internationality) and diversity of the Board of Directors.

Should reason for dismissal arise, dismissal procedures are implemented by resolution of the General Meeting of Shareholders after resolution of the Board of Directors in accordance with the rules governing the Board of Directors.

(2) Procedures in the election, nomination and dismissal of Audit & Supervisory Board Members

To elect the Audit & Supervisory Board Members, the candidates for Audit & Supervisory Board Member are determined from among the candidates who are selected in accordance with the Standards for Auditing by Audit & Supervisory Board Members (the policy for selecting candidates for Audit & Supervisory Board Member) after approval of the Audit & Supervisory Board. The candidates are elected by resolution of the General Meeting of Shareholders.

Dismissal of Audit & Supervisory Board Members is implemented by special resolution of the General Meeting of Shareholders in accordance with the Companies Act.

Reasons for Appointment of Outside Directors and Outside Audit & Supervisory Board Members and Expected Roles

Outside Directors

Name	Reasons for appointment and expected roles
Yuzuru Matsuda	As the person responsible for medical research at Kyowa Hakko Kogyo Co., Ltd., Mr. Matsuda worked on organizational reforms to a research system, and after becoming president there he oversaw a management merger with Kirin Pharma Company. Even after the merger, as president of the new company, Kyowa Hakko Kirin, he demonstrated firm leadership in directing employees from both of the merged companies. He has extensive experience in management and a wide range of expertise. Moreover, he actively offers advice of Kubota's overall management from a broader perspective. He has also contributed to the improvement of effectiveness in his role as chair of both the Nomination Advisory Committee and Compensation Advisory Committee. As such, he is judged to be a continuing benefit to Kubota's sustainable growth and to enhancing its corporate value.
Koichi Ina	With a career that has involved various positions in charge of factories or manufacturing for Toyota Motor Corporation, Mr. Ina has striven toward the development of production technologies as well as manufacturing site processes and personnel training. After his time at Toyota, he was appointed president at Daihatsu Motor Co., Ltd. He has extensive experience as a leader in the light vehicle industry, in areas such as constructing global development and production systems, and a wide range of expertise. Moreover, he actively offers advice, particularly from a manufacturing perspective. As such, he is judged to be a continuing benefit to Kubota's sustainable growth and to enhancing its corporate value.
Yutaro Shintaku	During his time as president of Terumo Corporation, Mr. Shintaku took a number of measures to ensure the Company could overcome intense international competition, including global expansion, M&As, and restructuring of the Company's business portfolio. He has a high degree of skill and an impressive track record as a manager able to read trends. Moreover, he actively offers advice, particularly from his knowledge of capital policies. As such, he is judged to be a continuing benefit to Kubota's sustainable growth and to enhancing its corporate value.
Kumi Arakane	After being appointed as a researcher to work on fundamental cosmetics research at KOSÉ Corporation, Ms. Arakane's career has covered assignments in charge of a wide range of fields, including product development, R&D, quality assurance, and purchasing. She has experience in being involved in management as a director and also possesses knowledge relating to auditing the execution of duties as a full-time auditor. Moreover, she actively offers advice from varied perspectives. As such, she is judged to be a continuing benefit to Kubota's sustainable growth and to enhancing its corporate value.
Koichi Kawana	Mr. Kawana's career has involved responsibility for a business site outside Japan for JGC Holdings Corporation, and he is well-versed in international business. In 2011, he was appointed as president there, and led megaprojects inside and outside Japan and business investment in infrastructure fields. He possesses extensive expertise and experience in management. In view of his deep insight, he is judged to be contributing to Kubota's sustainable growth and to enhancing its corporate value, as well as to the strengthening of the supervisory function of the Board of Directors.

Outside Audit & Supervisory Board Members

Name	Reasons for appointment and expected roles
Yuichi Yamada	Mr. Yamada has considerable knowledge relating to accounting and financial matters as a certified public accountant. He has gained extensive experience and a record of accomplishments in corporate auditing while serving at a major audit firm, and possesses extensive expertise on auditing in general, such as through working as an outside audit & supervisory board member for other companies. Therefore, despite not having been directly involved in corporate management, the Company judged that he can contribute to further enhancing its auditing processes through his expert viewpoints and from an independent standpoint.
Yuri Furusawa	Ms. Furusawa has experience in Japan and overseas in various roles working for central governmental agencies and possesses a broad perspective and extensive knowledge. Furthermore, she gained global experience through being involved in overseas business development at a company, and she was involved in reforming work styles and promoting the empowerment of women and diversity at the center of the government. Therefore, despite not having been directly involved in corporate management, the Company judged that she can contribute to further enhancing its auditing processes with her wide range of experience, through her expert viewpoints and from an independent standpoint.
Keiji Kimura	Mr. Kimura possesses a wealth of knowledge in legal affairs. He also has an extensive record of practice in corporate legal affairs at law offices and considerable experience and knowledge acquired by assuming office as an outside auditor for several companies. Therefore, despite not having been directly involved in corporate management, the Company judged that he can contribute to further enhancing its auditing processes with his wide range of experience, through his expert viewpoints and from an independent standpoint.

Composition of the Board of Directors and the Audit & Supervisory Board (as of March 24, 2023)

The Company configures its Board of Directors from the perspectives of maintaining the number of members appropriate for ensuring effective discussions at the meetings of the Board of Directors, manifesting its function as a board of directors and ensuring its diversity and maintaining soundness and transparency in management. The Company also considers that the Board of Directors requires skills in areas such as Kubota Production System (KPS), global management, innovation, digital transformation (DX), and ESG management as the business foundations to be strengthened in order to realize Long-Term Vision “GMB2030.”

It is important for members of the Board of Directors to complement each other by using their knowledge, experience, and skills, based on diverse values. Shown below is how skills required to realize the Company’s Long-Term Vision “GMB2030” correspond to their specialties and experience.

 Long-Term Vision “GMB2030”
www.kubota.com/corporate/vision/

Skills Matrix

	Name	Position	Outside	Areas of expectation / Specialization							Experience in corporate management	Attendance at the Meetings of the Board of Directors	Attendance at the Meetings of the Audit & Supervisory Board	Tenure as Director or Audit & Supervisory Board Member	
				Priority items related to Long-Term Vision “GMB2030”						Fundamental items for management					
				KPS (Manufacturing)/ Quality control	Global Management	Innovations/ R&D/DX	E Resolution of environmental issues	S Contributing to society/Empathy and participation of stakeholders	G Building Governance	Finance/ Accounting					Legal affairs/ Compliance
Board of Directors	Yuichi Kitao	President and Representative Director		●	●		●				●	100% (12 of 12)	—	8 years and 9 months	
	Masato Yoshikawa	Representative Director and Executive Vice President		●					●	●	●	100% (12 of 12)	—	6 years	
	Dai Watanabe	Director and Executive Vice President		●	●	●					●	100% (12 of 12)	—	4 years	
	Hiroto Kimura	Director and Senior Managing Executive Officer		●		●	●				●	100% (10 of 10)	—	1 year	
	Eiji Yoshioka	Director and Senior Managing Executive Officer		●	●		●					—	—	—	
	Shingo Hanada	Director and Managing Executive Officer		●			●	●				—	—	—	
	Yuzuru Matsuda	Director	●	●	●				●		●	100% (12 of 12)	—	8 years and 9 months	
	Koichi Ina	Director	●	●		●					●	100% (12 of 12)	—	7 years and 9 months	
	Yutaro Shintaku	Director	●	●			●			●	●	100% (12 of 12)	—	5 years	
	Kumi Arakane	Director	●		●		●				●	100% (12 of 12)	—	2 years	
Koichi Kawana	Director	●	●			●		●		●	—	—	—		
Audit & Supervisory Board	Toshikazu Fukuyama	Audit & Supervisory Board Member (Full-time)							●	●	●	100% (12 of 12)	100% (17 of 17)	8 years and 9 months	
	Yasuhiko Hiyama	Audit & Supervisory Board Member (Full-time)		●						●	●	92% (11 of 12)	100% (17 of 17)	5 years	
	Masashi Tsunematsu	Audit & Supervisory Board Member (Full-time)				●				●	●	100% (10 of 10)	100% (14 of 14)	1 year	
	Yuichi Yamada	Audit & Supervisory Board Member	●						●	●	●	100% (12 of 12)	100% (17 of 17)	3 years	
	Yuri Furusawa	Audit & Supervisory Board Member	●				●		●	●	●	92% (11 of 12)	100% (17 of 17)	2 years	
	Keijiro Kimura	Audit & Supervisory Board Member	●	●					●	●	●	100% (10 of 10)	100% (14 of 14)	1 year	

(Notes) 1. Experience in corporate management among the items of the list above refers to experience as president at listed companies.
2. In the list above, up to three of the major skills expected of each member of the Board of Directors based on their experience are marked ●. These skills do not represent the entirety of the knowledge possessed by each member.
3. The attendance of the Meetings of the Board of Directors and the Audit & Supervisory Board held during fiscal 2022.
4. Executive Officers in charge of the relevant fields attend the meetings of the Board of Directors, depending on the agenda, to provide explanations on those agendas in order to improve the effectiveness of the Board.

Efforts for Making the Board of Directors More Effective

Evaluation of the Board of Directors’ Effectiveness

In order to maintain and improve the function of the Board of Directors, the Company employs a continuous cycle for improvement, wherein it evaluates the Board of Directors’ effectiveness at the end of each fiscal year, identifies issues in light of the evaluation findings, and develops an action plan to address them, and this plan is then implemented by the Board of Directors the following year. In fiscal 2022, an evaluation was conducted by a third-party organization with the aim of further increasing the fairness and transparency of the Board of Directors. The evaluation of the Board of Directors’ effectiveness for fiscal 2022 was conducted, and the report is as follows.

1. Evaluation method

An evaluation by a third-party organization was conducted from November 2022 to March 2023. The evaluation methodology is as outlined in (1) to (4) below.

(1) Questionnaire Evaluating Effectiveness

The questionnaire based on questions created under the guidance of a third-party organization was given to all Directors and Audit & Supervisory Board Members (total 16 persons).

Evaluation major items: Overall Evaluation of the Board of Directors/Composition of the Board of Directors/Operations of the Board of Directors/Role and Contribution of Members/Leadership of Chair/Corporate Strategy and Sustainability/Monitoring of Business Portfolio and Management Resources (Human Resources, Business/Products, Finance/Accounting)/Creation of Synergies/Risk Management and Compliance/Response to Stakeholders/Monitoring of Execution and Performance/Analysis of Management Decisions/Sound Decision-making/Culture of the Board/Effectiveness of Committees on Nominations and Remuneration/Utilization of Effectiveness Evaluation/Own Contribution to the Board of Directors/Gap Analysis (evaluating the level of importance of proposals and the amount of discussion respectively on a scale of 10 and analyzing the gap)

(2) Interviews

Based on the results of the questionnaire, the third-party organization conducted interviews of the Directors individually and a group interview among six Audit & Supervisory Board Members.

(3) Report to and Discussion at Board of Directors Meeting (1)

The third-party organization reported the evaluation results of (1) and (2) at the Board of Directors Meeting, and discussion was held on the issues extracted and future initiatives.

(4) Report to and Discussion at Board of Directors Meeting (2)

The Chair reported the action plan for fiscal 2023 at the Board of Directors Meeting, and discussion was held by the Board members.

2. Evaluation results

The results of the third-party evaluation indicated that the Board of Directors is functioning effectively, sufficiently exercising both its decision-making and supervisory functions. The overview of the third-party evaluation results is as follows:

(1) The following strengths were found to support the effectiveness of the Board of Directors.

- Continuous efforts for Kubota to creatively fulfill its supervisory function proved to be successful, supporting the execution of duties appropriately.
 - <Composition>
 - The direction of corporate value enhancement with a focus on K-ESG management is made clear and shared among the Directors.
 - Outside Directors with a high degree of expertise and broad knowledge base offer questions and comments that bring new perspectives and awareness to the execution.
 - Active involvement by the Audit & Supervisory Board Members who are well-versed in Kubota’s business and organizational culture helps to raise the level of the supervisory function.
 - Members attending the Board of Directors Meetings have mutual respect for their knowledge/experience and contributions to the Board of Directors, which serves as a foundation for constructive discussions.
 - <Operation>
 - Front-line-oriented proposals were chosen, fitting Kubota’s unique focus area.
 - The way the Chair facilitates active discussions contributes to the improvement of the quality of such discussions.
- The Board of Directors has become more effective due to the measures taken in fiscal 2022 against the major issues extracted from the evaluation of effectiveness in fiscal 2021.

Major issues in fiscal 2021	Initiatives in fiscal 2022
Creating more opportunities to have discussions from a medium- to long-term perspective	Launched Value Up Discussion Meetings (VUDMs)* to create opportunities to discuss managerial issues that concern the entire Group from a medium- to long-term perspective. <Deliberations at VUDMs in fiscal 2022> January : Constructive Dialogue with Stakeholders April : Looking Back on VUDM and its Future October : Group Risk Management
Strengthening the monitoring function for the progress of important projects	Shared a list of projects needing follow-ups within the Board of Directors every six months to visualize their current state
Building a risk management structure for the entire Group	After a series of discussions on Group Risk Management at VUDMs and the Board of Directors Meetings, it was decided to establish the Kubota Group Risk Management Committee in January 2023, which periodically assesses the risk environment for the Group and promotes measures against risks that could seriously impact management.

* Value Up Discussion Meetings provide an opportunity for the Board of Directors Members to openly discuss topics designed to enhance corporate value. The meetings have been held periodically since July 2021.

(2) Meanwhile, in order to ensure sustainable business growth toward the realization of the Long-Term Vision GMB2030, Kubota is expected to address the following challenges to further improve the effectiveness of the Board of Directors.

- Deepen discussions on medium- to long-term growth strategies
 - Expand the proposals to deepen discussions on Kubota’s medium- to long-term goals and their feasibility, taking into account adequate understanding among stakeholders.
 - Strengthen the operational function for further utilization of VUDMs

- Strengthen the function of the Nomination Advisory Committee
 - Clarify the requirements for candidates of the next-generation management team and their selection process
 - Strengthen the promotion of the development of next-generation management candidates and their monitoring
- Create a board succession system that supports advanced effectiveness
 - Build a system that helps to maintain Kubota's distinctive Board of Directors, which contributes to sustainable, resilient growth

3. Action plan to enhance effectiveness in fiscal 2023

In response to the evaluation results for fiscal 2022, Kubota will primarily formulate and implement the following action plan for fiscal 2023 to further enhance discussions and improve the effectiveness of the Board of Directors.

Major issues in fiscal 2022	Action plans for fiscal 2023
Deepen discussions on medium- to long-term growth strategies	Extract topics concerning medium- to long-term growth strategies that should be addressed preferentially, examine the timing for monitoring each topic from a supervisory perspective, and review the proposals for the Board of Directors Meetings and VUDMs.
Strengthen the function of the Nomination Advisory Committee	The Nomination Advisory Committee examines the direction in formulating a succession plan for next-generation management team members.
Create a board succession system that supports advanced effectiveness	Establish a mechanism for continuously examining the state of the Board of Directors and provide opportunities to discuss the 'ideal state' of the Board that is unique to Kubota with a focus on the Board's roles and functions, in order to accelerate the realization of the Long-Term Vision GMB2030.

Value Up Discussion Meetings

The Company regularly holds Value Up Discussion Meetings to provide members of the Board with opportunities to discuss topics bringing about sustainable growth and increasing corporate value. The purpose of the meeting is to exchange opinions and share information, and the contents of discussions are communicated to the executive as necessary.

Past Contents of Deliberation

Timing and Theme of Meeting	Key Topics of Deliberation
July 2021 "Carbon Neutrality"	Response toward promoting carbon neutrality, initiatives for greenhouse gas emissions reductions and negative emission
October 2021 "K-ESG Management"	K-ESG management approach, Materiality of K-ESG management
January 2022 "Constructive Dialogue with Stakeholders"	Realization of growth strategy and views on accountability, approach to pursuing IR and SR activities for institutional investors and individual investors
April 2022 "Looking Back on VUDM and its Future"	Purpose and vision of VUDM, operation method, and selection of themes to address
October 2022 "Group Risk Management"	Risk identification process and company-wide risk control system

President Evaluation and Training a Successor

Evaluating the president

Evaluation of the president is carried out by the Compensation Advisory Committee under advice from the Board of Directors. The evaluation process is not just document-based, the president also meets the Compensation Advisory Committee, more than half of whose members are outside directors. As well as reporting on his achievements over the year, the president is evaluated based on two-way dialogue.

The financial indicators used to evaluate the president are consolidated net sales, consolidated operating margin, and ROIC. Non-financial indicators are progress of the Long-Term Vision and Mid-Term Business Plan, training situation for the president successor candidates, and K-ESG promotion-related efforts.

The content and results of deliberations by the Compensation Advisory Committee about the president's evaluation are reported to the Board of Directors for their determination.

Training a successor (succession planning)

In fiscal 2022, president succession planning was once again added to the discussion agenda of the Nomination Advisory Committee, more than half of whose members are outside directors, and this subject is being actively deliberated.

For Kubota to be a Global Major Brand (GMB), candidates to take over as the next president require certain traits (capabilities, attributes, etc.). As well as clarifying these, we are working to identify president successor candidates.

[Training potential successor candidates]

Executive Officers are potential president successor candidates. For individuals in these positions, the Executive Officers' Meeting is held once a month, where the Board of Directors' policies and resolutions are instructed or communicated. Furthermore, as part of the training of Executive Officers, we provide opportunities to study areas outside company-wide topics and entrusted domains. To do so, Executive Officers take part in subcommittees that are separate to the Executive Officers' Meeting, where they split into smaller groups to hold lively discussions about priority management issues.

Moreover, Kubota holds multiple annual executive forums related to ESG, human rights, health and safety, the environment, quality, public relations, legal affairs, DX, compliance, etc. With the aim of acquiring and updating knowledge about our rapidly changing external environment, we invite external lecturers and we are continuing to hold these lectures, including using online streaming.

[Evaluation of potential president successor candidates]

Evaluation of the Executive Officers that are potential president successor candidates is decided by the Board of Directors, after discussion by the Compensation Advisory Committee about evaluation content, including the results of individual interviews with the president. These candidates are evaluated based on the same financial indicators as are used to evaluate the president. Non-financial indicators are progress toward the Long-Term Vision and Mid-Term Business Plan, training situation for the president successor candidates, and K-ESG promotion-related efforts.

Remuneration

Remuneration for the Year Ended December 31, 2022

Currently, the Company is committed to shift to business operations with ESG positioned at the core of management under the Long-Term Vision "GMB2030," with the aim of further strengthening the supervisory function of the Board of Directors (i.e. enhancing corporate governance). Under these circumstances, Kubota Corporation put in place the policy for remuneration, etc. for Directors as follows, as responsibilities and expectations of the Directors are increasing.

Basic policy for determination of remuneration, etc. for the Directors

- The purpose of the remuneration for the Directors, excluding Outside Directors, is to encourage the Directors, excluding Outside Directors, to take the lead for sustainable growth while fulfilling social responsibilities as a company aiming to become a GMB.
 - Motivate the Directors to achieve performance targets by reflecting in their remuneration quantitative and objective evaluation results based on financial performance indicators.
 - Accelerate K-ESG management initiatives by reflecting evaluation results of the progress of the K-ESG in remuneration of the Directors.
 - Encourage the Directors to hold shares of Kubota Corporation during their tenure and make them strongly aware of the need to sustainably improve corporate value through a remuneration system that is closely linked to shareholder value.
 - Set the levels of remuneration and performance linkage so that the Directors may receive remuneration that is equivalent to or greater than the standard remuneration at other GMB companies defined by Kubota Corporation, in line with the achievement of the performance targets and K-ESG, and improvement of corporate value.
- To achieve the purpose of the remuneration, transparency and objectivity must be ensured in the administration of the remuneration plan.
 - Decisions on the development and administration of remuneration policies shall be reviewed by the Compensation Advisory Committee, where a majority of members are Outside Directors, before being determined by the Board of Directors' resolution.
 - In order to fulfill accountability for shareholders precisely, disclosure shall be made not limited to the scope required by laws and regulations, but also to facilitate shareholders' understanding and dialogue with them.

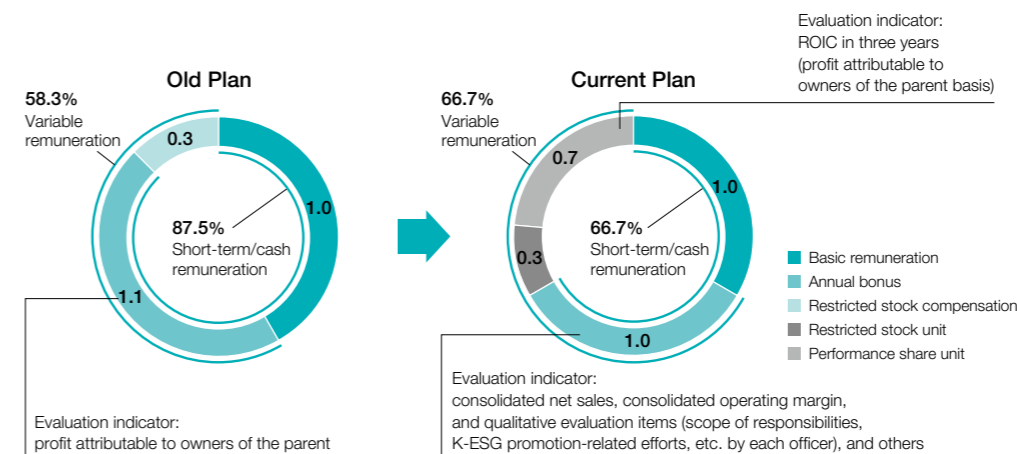
• Remuneration structure

The remuneration for the Directors, excluding Outside Directors, consists of basic remuneration, which is fixed, and performance-linked remuneration.

The composition ratio of basic remuneration to performance-linked remuneration for the President and Representative Director is generally set at 1:2, to secure a high level of performance linkage suitable for a competitive remuneration level. As for the remuneration structure for the Directors other than the President and Representative Director, the Directors at a higher corporate rank earn a greater portion of performance-linked remuneration, given the size of their duties, etc. of each corporate rank. The performance-linked remuneration consists of annual bonuses intended to encourage the Directors to achieve the business size and profitability targets of each fiscal year, and stock compensation (restricted stock unit and performance share unit) intended to share shareholder value and promote the maximization of medium- to long-term corporate value. The ratio of annual bonuses to stock compensation is generally set at 1:1.

The only remuneration for the Outside Directors is basic remuneration, which is a fixed remuneration, since the Outside Directors are expected to supervise the Board of Directors and give objective advice on management from positions independent from the conduct of business.

Image of Remuneration Composition Ratios for the President and Representative Director (Comparison of Old Plan and Current Plan)



Elements of Remuneration

Type of remuneration	Overview
Basic remuneration	[Fixed remuneration set in proportion to the size of duties by corporate rank, etc.] - The individual amount of basic remuneration shall be decided at the meeting of the Board of Directors based on the details of confirmation and deliberation by the Compensation Advisory Committee; the amount of total basic remuneration divided by 12 is paid monthly on the same pay day as employees' salaries.
Annual bonus	[Cash remuneration intended to encourage the achievement of business size and profitability-related performance targets set for each fiscal year and accelerate the K-ESG management efforts] - Consists of a portion linked to company-wide performance (50-70% of the bonus based on corporate rank), a portion of individual evaluation (10-30%), and portion of K-ESG evaluation (20%). - The portion linked to company-wide performance varies between 0% and 200% of the base amount in proportion to the degree of achievement in the targeted consolidated revenue and operating profit margin, which are key indicators under the Mid-Term Business Plan 2025. - The portion of individual evaluation varies between 0% and 200% of the base amount in proportion to the degree of achievement in strategic company-wide targets, specific targets in the efforts under the Mid-Term Business Plan 2025, financial targets for the area(s) the person is in charge of, etc. that are set at the beginning of the fiscal year based on individual responsibilities/jurisdiction. - The portion of K-ESG evaluation varies between 0% and 200% of the base amount in proportion to the degree of achievement in K-ESG promotion targets set at the beginning of the fiscal year. - The target setting in and the evaluation result of each evaluation category shall be decided at the meeting of the Board of Directors based on the details of confirmation and deliberation by the Compensation Advisory Committee: paid annually in March, in principle.
Restricted stock unit	[Stock compensation intended to encourage continued shareholding while in service / office, through which the sharing of and improvements in shareholder value are promoted] - The number of restricted stocks specified for each corporate rank shall be issued generally after the closing of each fiscal year, from the trust that sets Kubota Corporation as the entruster. In principle, the transfer restriction of issued share shall be lifted at the time of retirement (which means the point of time when they are no longer Directors or Executive Officers of Kubota Corporation; the same applies hereinafter).
Performance share unit	[Stock compensation for the purpose of improving the shareholder value by achieving the medium- to long-term performance target] - Restricted stocks are generally issued after the end of each performance evaluation period from the trust that sets Kubota Corporation as the entruster, in accordance with the results of the financial evaluation of the three-year performance evaluation period. In principle, the transfer restriction of issued shares shall be lifted when Directors, etc. retire. - Return on invested capital (ROIC) on a net income basis is used as a financial evaluation indicator to encourage the maximization of corporate value over the medium to long term through efficient profit generation on invested capital. The number of shares to be issued in proportion to the degree of achievement varies between 0% and 200%.

(Note) In accordance with the resolution of the 132nd Ordinary General Meeting of Shareholders held on March 18, 2022, Kubota Corporation introduced a performance-linked stock compensation plan using a trust. This plan is a stock compensation plan by which a trust, established through the contribution of monies by Kubota Corporation, acquires Company shares, and the number of Company shares corresponding to the number of points to be granted by Kubota Corporation to each Director is delivered to each Director through the Trust. Consequently, Kubota Corporation has discontinued restricted stock compensation and granting restricted stocks under the previous plan.

• Remuneration level

In order to properly secure competitiveness in terms of compensation suitable for a GMB company, Kubota Corporation appropriately sets the level of remuneration for the Directors, excluding Outside Directors, based on their corporate ranks and duties, by using data on objective executive remuneration surveys conducted by an external specialized institution, etc. to identify a group of companies whose size, profitability, type of business, overseas networks, etc. are comparable to those of Kubota Corporation as a benchmark for comparison.

• Shareholding guideline

For the purpose of deepening the level of shared value with its shareholders, Kubota Corporation encourages the Directors, excluding Outside Directors, to hold Kubota Corporation's stock basically as follows:

- President and Representative Director: stock worth three times the basic remuneration by five years from taking office
- Other Directors: stock worth 2.4 to 2.7 times the basic remuneration by five years from taking office

• Clawback / recovery of remuneration, etc. (malus and clawback clauses)

The Company has compensation clawback clauses (i.e. malus and clawback clauses) for the restricted stock unit and the performance share unit to be granted to the Directors. If an incident of misconduct, etc. involving the Directors (including those retired) of Kubota Corporation arises or such a fact comes to light, the Company may claim the return, etc. of pre-issue points to receive shares, and all or part of the issued restricted stock and shares after the transfer restriction is lifted. The decision on claims for return, etc. and their details shall be reviewed by the Compensation Advisory Committee before being determined by the Board of Directors' resolution.

• Remuneration determination process

The Company's policy on the decision of the details of remuneration for the Directors and the details of individual remuneration, etc. shall be decided by resolution of the Board of Directors based on the results of objective deliberation by the Compensation Advisory Committee, a majority of whose members are Outside Directors. The review by the Compensation Advisory Committee shall be attended or observed by a compensation advisor, an external specialized institution, where necessary, for the purpose of providing an objective point of view as well as expert knowledge and information concerning compensation plans.

• Maximum remuneration amount of the Directors

In accordance with the resolution of the 132nd Ordinary General Meeting of Shareholders held on March 18, 2022, maximum amount of monetary remuneration payable to the Directors is ¥900 million or less for the basic remuneration (¥160 million or less for the Outside Directors) and ¥1,060 million or less for the annual bonus. The maximum aggregate amount of stock remuneration for the Directors was set at ¥900 million or less per year.

• Remuneration of Audit & Supervisory Board Members

The remuneration for the Audit & Supervisory Board Members is determined after consultation among the Audit & Supervisory Board Members within the range of the maximum aggregate amount of remuneration approved at the General Meeting of Shareholders in consideration of the roles of the respective Audit & Supervisory Board Members. The remuneration for the Audit & Supervisory Board Members consists solely of "basic remuneration" considering the roles they play and the need to preserve their independence. The maximum aggregate amount of remuneration for the Audit & Supervisory Board Members is set at ¥250 million or less per year at the 132nd General Meeting of Shareholders held on March 18, 2022.

Compensation by Position

The aggregate compensation paid by Kubota Corporation for the year ended December 31, 2022, to the Directors and the Audit & Supervisory Board Members was as follows:

Position	Number of persons	Total amount of compensation (millions of yen)			
		Basic remuneration	Bonus	Restricted stock unit	Performance share unit
Directors (excluding Outside Directors)	6	362	238	120	55
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	3	120	—	—	—
Outside Directors	4	77	—	—	—
Outside Audit & Supervisory Board Members	4	49	—	—	—

(Note) The above amount includes compensation for the Outside Audit & Supervisory Board Member who has resigned upon the expiration of their term at the conclusion of the 132nd General Meeting of Shareholders held on March 18, 2022.

Training for Executives

For Outside Directors and Outside Audit & Supervisory Board Members, Kubota Corporation explains the corporate principles (Kubota Global Identity), business strategies, business portfolio and other information when they assume office and proactively provides them with opportunities to conduct inspections of our main factories and on-site inspections overseas. In addition, Outside Directors and Outside Audit & Supervisory Board Members can deepen their understanding of priority management issues and medium- to long-term objectives through preliminary briefings on the agenda for the Board of Directors meeting, discussions conducted at the "VUDM" and other opportunities.

For Senior Executive Officers and Executive Officers, the Company holds training hosted by external organizations for all newly appointed officers, featuring content pertaining to laws and regulations, and corporate governance. In addition, the Executive Officers' Meeting is held monthly to provide directions and information to the officers about policies and resolutions decided by the Board of Directors. Furthermore, to provide an opportunity for examining company-wide matters and areas other than the commissioned area, the Company holds, as part of training, a sub-committee meeting on different from the day of the Executive Officers' Meeting to continue lively discussions on priority management issues and other topics in small groups.

The Company holds multiple annual executive forums related to ESG, human rights, health and safety, the environment, quality, public relations, legal affairs, DX, compliance, etc. for all of its Directors, Audit & Supervisory Board Members, Senior Executive Officers and Executive Officers. We invite external lecturers, etc., and continue to hold these forums for the purpose of acquiring and updating knowledge on the rapidly changing external environment by also using online distribution.



Corporate Governance Report

www.kubota.com/ir/policy/governance/data/cgre.pdf

Policy for Constructive Dialogue with Shareholders

Kubota, recognizing that constructive dialogue with shareholders and investors contributes to the improvement of the Company's sustainable growth and medium- to long-term corporate value, regularly stays abreast of the shareholder composition, makes timely and appropriate disclosure of a wide range of information ranging from financial information to non-financial information and promotes constructive dialogue with shareholders and investors. The policies for development of systems and operations for this activity are as follows.

(1) Basic policy

The Company holds briefings where the President and General Manager of Planning & Control Headquarters present the basic management policy, priority measures, and results of operation, with the aim of promoting constructive dialogue with domestic and foreign institutional investors. Furthermore, the Company promotes two-way communication, such as timely disclosure to all stakeholders including individual investors through active use of the Company website and executing questionnaire surveys.

(2) IR organizational structure

The General Manager of Planning & Control Headquarters is in overall charge of directing and promoting IR. The department in charge of IR plays a central role in developing its IR activities through organic coordination with each related department, such as Corporate Planning & Control Dept., Accounting Dept., Secretary and Public Relations Dept., ESG Promotion Dept., General Affairs Dept. and Legal Dept.

(3) Feedback to management

Subjects of dialogue with investors are reported back to the Board of Directors, the Executive Officers' Meeting, and relevant departments by the President and General Manager of Planning & Control Headquarters as necessary.

(4) Dialogue with institutional investors and analysts

The Company holds individual and group meetings, product exhibitions and briefings on business operations, and results briefings with institutional investors and analysts. In addition, the Company discloses the results materials and the results briefing materials in both English and Japanese at the same time, and regularly holds tours and briefings on business operations in Japan and overseas.

(5) Dialogue with individual shareholders and investors

The Company aims to promote lively communication through hosting of various events for individual shareholders.

Also, in addition to holding company information sessions for individual investors to provide an opportunity for the management and individual investors to directly engage in dialogue, the Company also works on public relations to improve understanding of the Company's business activities.

(6) Policy for insider information management when engaging in dialogue

Insider information, such as any undisclosed material facts, is not conveyed at the meetings with investors. The following section describes the structure and procedures regarding the timely disclosure of the Company information.

1. Financial Information Disclosure Committee

The Company has established the Financial Information Disclosure Committee so as to monitor and control financial information disclosure and, thereby, ensure its fairness, correctness, timeliness, and comprehensiveness. The committee consists of a committee chairperson, who is General Manager of Planning & Control Headquarters; committee members, who are General Manager or Deputy General Manager of Corporate Compliance and Risk Management Headquarters, General Manager of Corporate Planning & Control Dept., General Manager of General Affairs Dept., General Manager of Secretary and Public Relations Dept., General Manager of Accounting Dept., and General Manager of Corporate Auditing Dept.; and, as observers, one full-time Audit & Supervisory Board Member and one Audit & Supervisory Board Member specializing in finance. The committee meets periodically in order to draft and assess the Annual Securities Reports ("Yukashoken Hokokusho") and the Quarterly Reports ("Shihanki Hokokusho") pursuant to the Financial Instruments and Exchange Act. And the committee also meets in response to extraordinary events such as important decisions and material facts that must be disclosed immediately.

In accordance with the intent and meaning of fair disclosure rules set out in the Financial Instruments and Exchange Act, the Company takes all reasonable care to avoid selective disclosure of information, such as by simultaneously releasing Japanese and English versions of results briefing materials with attached explanations and the minutes of question-and-answer sessions via the corporate website, and by working to enhance the timely and fair disclosure of information in order to promote proactive dialogue with investors.

2. Company regulations for information disclosure

The Company has declared that "The Kubota Group makes appropriate and timely disclosure of corporate information and fulfills its responsibilities for transparency and accountability in corporate activities" in the "Kubota Group Charter for Action" and has stipulated "Appropriate and Timely Disclosure of Corporate Information" and "Prohibition of Insider Trading" in the "Kubota Group Code of Conduct." The Company strives to promote awareness and ensure thorough efforts in regard to the "Kubota Group Code of Conduct" and prevention of insider trading before it occurs through conducting education tailored to each management level within the Company.



Information for investors

www.kubota.com/ir/

Management (As of March 24, 2023)

Directors and Executive Officers



President and Representative Director

Yuichi KitaoShares owned: 112,819
Time in office: 8 years and 9 months

Committee activity: Chair of the Board of Directors and member of the Nomination Advisory Committee

Apr. 1973: Joined Kubota Corporation
Apr. 2005: GM of Tractor Engineering Dept.
Apr. 2009: Executive Officer and GM of Tractor Div.
Jan. 2011: President of Kubota Tractor Corp.
Apr. 2013: Managing Executive Officer at Kubota Corporation
Oct. 2013: GM of Farm and Utility Machinery Div. and Farm and Utility Machinery International Operation HQ
Jun. 2014: Director and Managing Executive Officer
Apr. 2015: Director and Senior Managing Executive Officer in charge of Farm and Industrial Machinery Domain
Jan. 2019: Executive Vice President and Representative Director, GM of Farm and Industrial Machinery Consolidated Div.
Jun. 2019: GM of Innovation Center
Jan. 2020: President and Representative Director (to present)

Executive Vice President and Representative Director
GM of Planning and Control HQ, GM of Global ICT HQ**Masato Yoshikawa**Shares owned: 64,046
Time in office: 6 years

Committee activity: Member of the Nomination Advisory Committee and Compensation Advisory Committee

Apr. 1981: Joined Kubota Corporation
Feb. 2008: GM of Ductile Iron Pipe Planning Dept.
Oct. 2009: GM of Pipe Systems Planning & Control Dept.
Oct. 2010: GM of Corporate Planning & Control Dept.
Apr. 2012: Executive Officer
Oct. 2013: President of Kubota Tractor Corp.
Apr. 2015: Managing Executive Officer at Kubota Corporation
Mar. 2017: Director and Managing Executive Officer
Jan. 2018: Director and Senior Managing Executive Officer
Jan. 2019: GM of Planning and Control HQ (to present) and GM of Global IT Management Dept.
Apr. 2019: GM of Global ICT HQ (to present)
Jan. 2020: Executive Vice President and Director
Jan. 2022: Executive Vice President and Representative Director

Executive Vice President and Director
GM of Farm and Industrial Machinery
Consolidated Div., GM of Innovation Center**Dai Watanabe**Shares owned: 80,593
Time in office: 4 years

Apr. 1984: Joined Kubota Corporation
Jun. 2006: GM of Farm and Industrial Machinery International Planning and Control Dept.
Jan. 2012: President of Kubota Europe S.A.S.
Apr. 2013: Executive Officer at Kubota Corporation
Feb. 2014: President of Kubota Farm Machinery Europe S.A.S.
Dec. 2014: President of Kverneland AS
Sep. 2016: GM of Agricultural Implement Business Unit at Kubota Corporation
Jan. 2017: Managing Executive Officer and GM of Agricultural Implement Div.
Oct. 2017: President of Kubota Holdings Europe B.V.
Jan. 2018: GM of Agricultural Implement Div. at Kubota Corporation
Jan. 2019: Senior Managing Executive Officer and GM of Farm and Industrial Machinery Strategy and Operations HQ
Mar. 2019: Director and Senior Managing Executive Officer
Jun. 2019: Deputy GM of Innovation Center
Jan. 2020: GM of Farm and Industrial Machinery Consolidated Div. and GM of Innovation Center (to present)
Jan. 2023: Executive Vice President and Director

Director and Senior Managing Executive Officer
GM of Research and Development HQ, GM of Kubota
Global Institute of Technology, Deputy**Hiroto Kimura**Shares owned: 26,407
Time in office: 1 year

Apr. 1984: Joined Kubota Corporation
Apr. 2007: GM of Rice Transplanter Engineering Dept.
Apr. 2010: GM of The Technical Information Center, Farm and Industrial Machinery Research Dept.
Aug. 2010: Vice President of Siam Kubota Corporation
Jan. 2017: Executive Officer at Kubota Corporation and President of Siam Kubota Corporation Co., Ltd.
Sep. 2019: President of Kubota Research & Development Asia Co., Ltd.
Jan. 2020: Managing Executive Officer and Deputy GM of Innovation Center (to present) at Kubota Corporation, Deputy GM of Research and Development HQ, Deputy GM of ASEAN Farm and Industrial Machinery Strategy and Operations HQ
Jan. 2021: GM of Research and Development HQ and Carbon Neutral Promotion Dept. (to present)
Mar. 2022: Director and Managing Executive Officer
Sep. 2022: GM of Kubota Global Institute of Technology (to present)
Jan. 2023: Director and Senior Managing Executive Officer (to present)

Director and Senior Managing Executive Officer
GM of Water and Environment Infrastructure
Consolidated Div., Deputy GM of Innovation
Center, GM of Tokyo Head Office**Eiji Yoshioka**Shares owned: 25,640
Time in office: -

Apr. 1981: Joined Kubota Corporation
Apr. 2005: GM of Quality Assurance & Manufacturing Promotion Dept.
Apr. 2010: GM of Tsukuba Plant
Apr. 2013: GM of Air Conditioning Equipment Business Unit at Kubota Corporation and President of Kubota Air Conditioner, Ltd.
Jan. 2016: Executive Officer and GM of Materials Div. at Kubota Corporation
Jan. 2019: In charge of Special Tasks Assigned by the President
Jan. 2020: Managing Executive Officer and GM of Pipe Systems and Infrastructure Div.
Jan. 2022: Senior Managing Executive Officer, GM of Water and Environment Infrastructure Consolidated Div. (to present), Deputy GM of Innovation Center (to present), and GM of Tokyo Head Office (to present)
Mar. 2023: Director and Senior Managing Executive Officer (to present)

Director and Managing Executive Officer
President of Kubota North America Corp., President
of Kubota Tractor Corp.**Shingo Hanada**Shares owned: 5,843
Time in office: -

Apr. 1989: Joined Kubota Corporation
Apr. 2015: GM of Compact Tractor, Turf and Utility Vehicle Planning and Sales Promotion Dept.
Jan. 2017: GM of Agricultural Tractor Planning and Sales Promotion Dept.
Jan. 2018: GM of Turf & Utility Vehicle Business Unit and Turf & Utility Vehicle Business Promotion Dept.
Jan. 2019: Executive Officer and GM of Outdoor Power Equipment Div.
Feb. 2020: GM of Outdoor Power Equipment Business Planning and Development Dept.
Jan. 2021: President of Kubota Holdings Europe B.V. and Kverneland AS
Jan. 2022: Managing Executive Officer at Kubota Corporation, President of Kubota North America Corp. (to present) and President of Kubota Tractor Corp. (to present)
Mar. 2023: Director and Managing Executive Officer at Kubota Corporation (to present)

Outside Directors



Outside Director

Yuzuru MatsudaShares owned: 28,499
Time in office: 8 years and 9 months

Committee activity: Chair of the Nomination Advisory Committee and Compensation Advisory Committee

Apr. 1977: Joined Kyowa Hakko Kogyo Co., Ltd. (now Kyowa Kim Co., Ltd.)
Jun. 1999: Director of Drug Discovery Research Laboratories, Pharmaceutical Research Institute at Fuji Plant
Jun. 2000: Executive Officer and Head of the Medical Comprehensive Research Labs
Jun. 2002: Director of the Board, Managing Director, and Head of the Comprehensive Planning Office
Jun. 2003: Representative Director of the Board, President and Chief Executive Officer
Oct. 2008: Representative Director, President and Chief Executive Officer at Kyowa Hakko Kim Co., Ltd. (now Kyowa Kim Co., Ltd.)
Jun. 2012: General Secretary of the Kato Memorial Bioscience Foundation
Jun. 2014: Outside Director at Kubota Corporation (to present) and Director (Part-time, Outside) at Bandai Namco Holdings Inc.
Jun. 2015: Outside Director at JSR Corporation
Jun. 2019: Director Emeritus of Kato Memorial Bioscience Foundation (to present)



Outside Director

Koichi InaShares owned: 24,175
Time in office: 7 years and 9 months

Committee activity: Member of the Nomination Advisory Committee and Compensation Advisory Committee

Significant concurrent roles: Outside Director at Sansha Electric Manufacturing Co., Ltd.

Apr. 1973: Joined Toyota Motor Co., Ltd. (now Toyota Motor Corporation)
Jan. 1998: GM of the Motomachi Plant Machining Div.
Jun. 2000: GM of the Motomachi Plant Administration Div.
Jun. 2002: Director, Plant General Manager for the Honsha Plant and Motomachi Plant
Jun. 2003: Managing Officer and Head of the Global Production Promotion Center
Jun. 2004: Plant General Manager for the Aesochi Plant
Jun. 2005: Plant General Manager for the Takasaka Plant and Tsutsumi Plant
Jun. 2006: Plant General Manager for the Miyoshi Plant
Jun. 2007: Senior Managing Director, and Chief Officer of the Manufacturing Group and Production Planning Group
Jun. 2009: Executive Vice President at Daihatsu Motor Co., Ltd.
Jun. 2010: President
Jun. 2013: Chairman
Jun. 2015: Outside Director at Kubota Corporation (to present)
Jun. 2019: Outside Director at Sansha Electric Manufacturing Co., Ltd. (to present)

* Shares owned is correct as of December 2022, time in office is correct as of March 2023.



Outside Director

Yutaro ShintakuShares owned: 8,825
Time in office: 5 years

Committee activity: Member of the Nomination Advisory Committee and Compensation Advisory Committee

Significant concurrent roles: Director of the Board (Outside Director) at Santen Pharmaceutical Co., Ltd. Outside Director at Kozo Keikaku Engineering Inc.

Apr. 1979: Joined Tsa Nanyo Kogyo K.K. (now ENEOS Corporation)
Jan. 1999: Joined Tsurumi Corporation
Jun. 2005: Executive Officer
Jun. 2006: Director and Executive Officer
Jun. 2007: Director and Senior Executive Officer. In charge of R&D Center, Intellectual Property Dept. and Legal Dept.
Jun. 2008: Director and Group Managing Executive Officer, GM of Strategy Planning Dept., In charge of Human Resources Dept. and Accounting & Finance Dept.
Jun. 2010: President
Apr. 2017: Director and Corporate Advisor
Jun. 2017: Director of the Board (Outside Director) at Santen Pharmaceutical Co., Ltd. (to present) and Outside Director at J-OMI, Inc.
Mar. 2018: Outside Director at Kubota Corporation (to present)
Apr. 2018: Guest Lecturer at the Hirotsukashi University Faculty of Commerce and Management and Graduate School of Business Administration
Apr. 2019: Specially Appointed Professor (to present)
Sep. 2019: Outside Director at Kozo Keikaku Engineering Inc. (to present)



Outside Director

Kumi ArakaneShares owned: 7,720
Time in office: 2 years

Committee activity: Member of the Nomination Advisory Committee and Compensation Advisory Committee

Significant concurrent roles: External Director at Kagome Co., Ltd. Outside Director at Toda Corporation

Apr. 1981: Joined Kobayashi Kosé Company Limited (now Kosé Corporation)
Mar. 2002: Senior Chief Researcher of R&D Headquarters Advanced Cosmetic Research Laboratories of Kosé Corporation
Mar. 2004: GM of Product Development Dept., Marketing HQ
Mar. 2006: Executive Officer and Deputy Director-General of Marketing HQ
Mar. 2010: GM of R&D Laboratories
Jun. 2011: GM of Quality Assurance Dept. and Marketing Supervisor-General
Jun. 2011: Director in charge of Quality Assurance Dept., Customer Service Center, Purchasing Dept., and Product Designing Dept.
Jun. 2017: Standing Audit & Supervisory Board Member
Mar. 2019: Outside Audit & Supervisory Board Member at Kubota Corporation
Mar. 2020: External Director at Kagome Co., Ltd. (to present)
Jun. 2020: Outside Director at Toda Corporation (to present)
Mar. 2021: Outside Director at Kubota Corporation (to present)



Outside Director

Koichi KawanaShares owned: 0
Time in office: -

Committee activity: Member of the Nomination Advisory Committee and Compensation Advisory Committee

Significant concurrent roles: Outside Director at Tokyo Electron Device Limited Director (Part-time, Outside) at Bandai Namco Holdings Inc. Outside Director (Audit and Supervisory Committee Member) at COMSYS Holdings Corporation External Director at RENOVA, Inc.

Apr. 1982: Joined Japan Gasoline Co., Ltd. (now JGC Holdings Corporation)
Jul. 1997: GM of Abu Dhabi Office and Kuwait Office
Jul. 2001: GM of London Office
May 2004: GM of Project Business Investment Promotion Dept.
Jul. 2007: Executive Officer and Deputy GM of New Business Promotion Div.
Aug. 2007: GM of New Business Promotion Div.
Jul. 2009: Managing Director and GM of Global Marketing Div.
Jun. 2010: Representative Director and Senior Executive Vice President
Jul. 2011: Representative Director, President, and COO
Jun. 2012: Representative Director and President

Jun. 2017: Director and Vice Chairman
Jun. 2019: Outside Director at Tokyo Electron Device Limited, Director (Part-time, Outside) at Bandai Namco Holdings Inc., and Outside Director (Audit and Supervisory Committee Member) at COMSYS Holdings Corporation (to present)
Jun. 2020: External Director at RENOVA, Inc. (to present)
Dec. 2020: External Director at Ispace, Inc. (to present)
Apr. 2021: President and Representative Director at Lubly Inc. (to present)
Jul. 2021: Industry Advisor at Kohberg Kravis Roberts & Co. L.P. (to present)
Mar. 2023: Outside Director at Kubota Corporation (to present)

Audit & Supervisory Board Members



Audit & Supervisory Board Member

Toshikazu FukuyamaShares owned: 18,300
Time in office: 8 years and 9 months

Committee activity: Chair of the Audit & Supervisory Committee

Apr. 1979: Joined Kubota Corporation
Oct. 2005: GM of Corporate Planning & Control Dept.
Oct. 2009: Vice President at Siam Kubota Industries Co., Ltd. (now Siam Kubota Corporation Co., Ltd.) and Director at Siam Kubota Leasing Co., Ltd.
Aug. 2010: Vice President at Siam Kubota Corporation Co., Ltd.
Jun. 2014: Audit & Supervisory Board Member at Kubota Corporation (to present)



Audit & Supervisory Board Member

Yasuhiko HiyamaShares owned: 23,400
Time in office: 5 years

Committee activity: Member of the Audit & Supervisory Committee

Apr. 1981: Joined Kubota Corporation
Apr. 2008: President at Kubota Industrial Equipment Corp.
Apr. 2010: GM of Compact Tractor, Turf and Utility Vehicle Planning and Sales Promotion Dept.
Apr. 2012: GM of Farm Machinery Planning and Control Dept.
Apr. 2012: GM of Farm and Utility Machinery Business Unit I, Farm and Utility Machinery Planning and Sales Promotion Dept. I, and Farm and Utility Machinery Planning and Sales Promotion Dept. II
Apr. 2015: GM of Tractor and Utility Machinery Business Unit
Jan. 2016: Senior Executive Officer
Jan. 2017: GM of Compact Tractor, Turf and Utility Vehicle Business Unit
Jan. 2018: Deputy GM of Tractor Div.
Mar. 2018: Audit & Supervisory Board Member (to present)



Audit & Supervisory Board Member

Masashi TsunematsuShares owned: 6,401
Time in office: 1 year

Committee activity: Member of the Audit & Supervisory Committee

Apr. 1986: Joined Kubota Corporation
Jun. 2010: GM of Water Engineering & Solution Planning Dept.
Jan. 2018: GM of Environmental Business Promotion Dept.
Feb. 2020: GM of Water and Environment Infrastructure Management Dept.
Mar. 2022: GM of Water and Environment Infrastructure Consolidated Div.
Mar. 2022: Audit & Supervisory Board Member (to present)

* Shares owned is correct as of December 2022, time in office is correct as of March 2023.

Outside Audit & Supervisory Board Members



Outside Audit & Supervisory Board Member

Yuichi Yamada

Shares owned: 3,800
Time in office: 3 years

Committee activity: Observer at the Compensation Advisory Committee

Significant concurrent roles: External Audit & Supervisory Board Member at Japan Finance Corporation
Representative of Yuichi Yamada Certified Public Accountant Firm

Oct. 1984: Joined Asahi & Co. (now KPMG AZSA LLC)
Mar. 1988: Registered as a certified public accountant
Aug. 1997: Partner at Asahi & Co. (now KPMG AZSA LLC)
Aug. 2003: Senior Partner
Jun. 2008: Board member at AZSA & Co. (now also KPMG AZSA LLC)
Sep. 2011: Deputy Managing Partner of Tokyo Office
Jul. 2015: Chair of Tokyo Partners Meeting
Jun. 2016: Audit & Supervisory Board Member at Japan Finance Corporation (to present)
Jul. 2016: Representative of Yuichi Yamada Certified Public Accountant Firm (to present)
Jun. 2017: Outside Audit & Supervisory Board Member at Sumitomo Metal Mining Co., Ltd.
Mar. 2020: Outside Audit & Supervisory Board Member at Kubota Corporation (to present)



Outside Audit & Supervisory Board Member

Yuri Furusawa

Shares owned: 2,600
Time in office: 2 years

Significant concurrent roles: Independent Outside Auditor at Subaru Corporation

Apr. 1986: Joined the Ministry of Transport
Dec. 2000: Administrator at the Organisation for Economic Co-operation and Development (OECD)
Jul. 2004: Director for International Policy Planning, International Policy Planning Unit at the Ministry of Land, Infrastructure and Transport
Jul. 2006: Director for International Affairs and Crisis Management Division, Administration Department at the Japan Coast Guard
Jul. 2008: Counsellor at Cabinet Secretariat (assigned to the Assistant Chief Cabinet Secretary)
Aug. 2011: Deputy General Manager of International Sales Department, Shisido Co., Ltd.
Jul. 2014: Assistant Vice-Minister for International Affairs at the Ministry of Land, Infrastructure, Transport and Tourism
Sep. 2015: Vice Commissioner at the Japan Tourism Agency
Jun. 2016: Councillor, Cabinet Secretariat, Cabinet Bureau of Personnel Affairs
Jul. 2019: Attached to the Minister's Secretariat, Ministry of Land, Infrastructure, Transport and Tourism
Mar. 2021: Outside Audit & Supervisory Board Member at Kubota Corporation (to present)
Jun. 2022: Independent Outside Auditor at Subaru Corporation (to present)



Outside Audit & Supervisory Board Member

Keiji Kimura

Shares owned: 1,100
Time in office: 1 year

Significant concurrent roles: Senior Partner at Kyoei Law Office

Apr. 1987: Registered as an attorney, joined Showa Law Office
Jan. 1994: Registered as an attorney in New York State, US
May 1998: Established Kyoei Law Office
Jun. 2000: Outside Auditor at Okada Aiyon Corporation
Sep. 2007: Outside Auditor at Nagaoka International Corporation
Jun. 2009: Outside Auditor at Charlie Co., Ltd.
Jan. 2011: Senior Partner at Kyoei Law Office (to present)
Mar. 2015: Corporate Auditor (Outside) at Nippon Electric Glass Co., Ltd.
Mar. 2022: Outside Audit & Supervisory Board Member at Kubota Corporation (to present)

Executive Officers

Senior Managing Executive Officers

Yuji Tomiyama
Kazuhiro Kimura
Nikhil Nanda
Nobuyuki Ishii

Managing Executive Officers

Kazunari Shimokawa
Ryuichi Minami
Yoshimitsu Ishibashi
Yasukazu Kamada
Katsuhiko Yukawa

Senior Executive Officers

Koichiro Kan
Tomohiro Iitsuka
Kazushi Ito
Mampei Yamamoto
Nobushige Ichikawa

Executive Officers

Hideo Takigawa	Hiroyuki Araki	Patrick Verheecke
Takashi Ichikawa	Yoshifumi Makino	Sumio Morioka
Wataru Kondo	Tadahito Suzui	Shinichi Yamada
Hiroyuki Tanihara	Koichi Nakagawa	Hitoshi Sasaki
Toshiyuki Taneda	Kazunori Tani	Satoshi Suzuki
Shiro Watanabe	Yuji Kambara	
Todd Stucke	Shinya Tsuruda	

* Shares owned is correct as of December 2022, time in office is correct as of March 2023.

Internal Control/Risk Management

Internal Control/Risk Management

Internal Control System

For Kubota Group, its internal control system serves as the mechanism for clearly providing the rules that should be abided by as to the performance of business, and for checking whether or not business has been managed according to those rules. This system consists of the business operation on one hand, which entails the performance of business based on rules, and risk management on the other hand, which entails the management of major business risks.

“Business operation” refers to the notion that basic action items necessary for operating businesses should be set out as “business rules.” The notion also requires that each department should conduct its day-to-day checks in accordance with the “business rules.” “Business rules” consists of general business rules (basic rules) on one hand and functional business rules on the other.

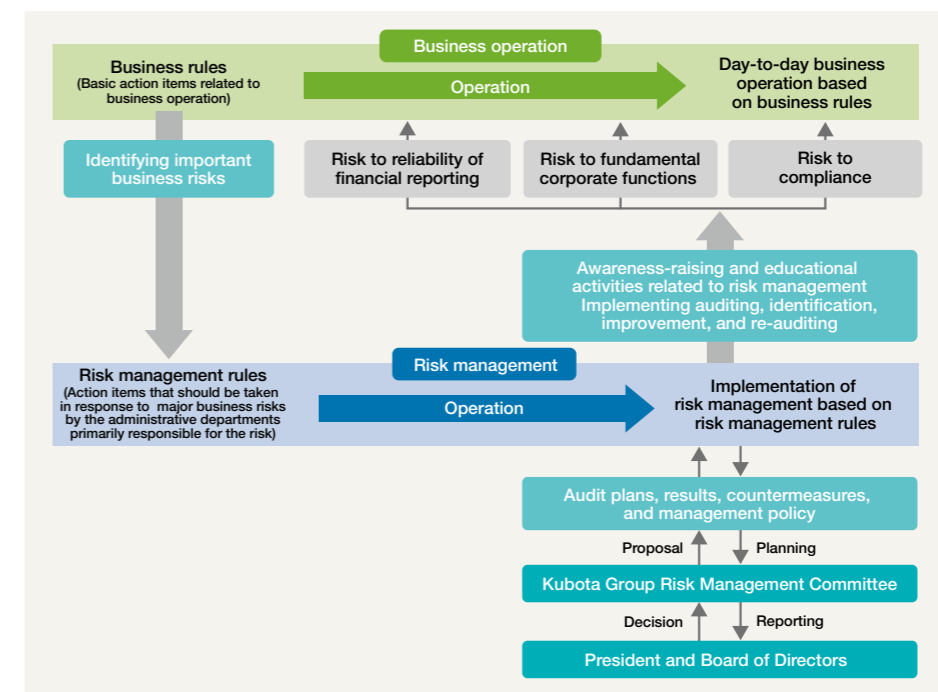
Risk management refers to the notion that “risk management rules” should set out appropriate operational action items that all administrative departments should implement, to the extent that the administrative departments are primarily responsible for some risks. The notion also requires that those departments should identify promotional action items to manage the risks. The notion further requires that auditing should be conducted on appropriate business departments to verify the effectiveness thereof.

In the internal control system, major risks in Kubota’s business are classified into the following three categories:

1. Internal control over reliability of financial reporting
2. Internal control over the fundamental functions of the Company, such as fair trade, environmental conservation, and health and safety
3. Internal control over compliance, such as compliance with laws and regulations related to equipment, and import and export control

To avoid those risks, all administrative departments primarily responsible for some risks should implement promotional action items and conduct audits on the appropriate business departments. The outcomes of implementation and auditing should be reported to the President and the Board of Directors, together with the action items for the next fiscal year. Thus, the PDCA cycle for risk management is implemented in a manner outlined above.

Internal Control System Overview



Internal Control System Operation Activities (Risk Management Activities)

Kubota considers its risk management activities as part of its business activities. Based on its understanding that risk management is the foundation of business activities, Kubota is willing to exert its efforts to manage risks appropriately through continuous steady improvement via “immediate corrective actions upon any perception of inadequacies,” by identifying risks common to the entire Kubota Group, such as those relating to the reliability of financial reporting. At the same time, while accelerating the global development of its businesses, Kubota strongly recognizes that risk management activities are the foundation for the continuity of its businesses, and strives to improve such activities both in Japan and overseas.

Kubota Group Risk Management Committee

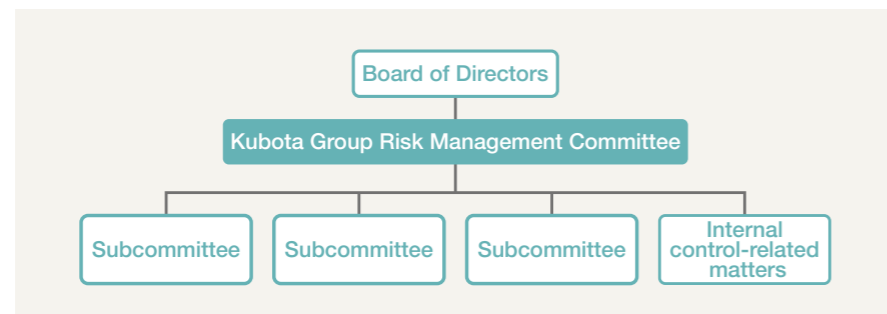
In view of the changing public expectations regarding corporate risk management, we established the Kubota Group Risk Management Committee in January 2023 to adapt to these changes and to put in place a system able to respond flexibly to future changes.

With the aim of increasing the Kubota Group's corporate value, the committee's role is to maintain existing risk management activities relating to internal control risk and to put in place a new management system for risk with potential major impact on business operations.

To do this, the committee will undertake regular risk assessments of the Kubota Group in order to identify risks to be addressed as a priority. It is envisaged that subcommittees under the supervision of the Risk Management Committee will implement the risk response measures adopted and report back to the committee on their progress, which the committee will review before issuing instructions where necessary.

The director in charge of risk management will make regular reports to the Board of Directors on these risk assessments as well as on the associated response measures and policies and progress with their implementation.

System Diagram



Number of Audits and Contents of Risk Management

Risk management items		Risk to be avoided	Number of audited items for FY2022*1
Internal control over reliability of financial reporting	Financial reporting	• Risk to reliability of financial reporting	10,271
Internal control over the fundamental functions of the Company	Fair trade	• Bid-rigging and price fixing • Unfair trading concerning trading with distributors, etc. • Non-compliance with the Subcontract Act	103
	Environmental conservation	• Non-compliance with laws and regulations • Environmental accidents • Past environmental debt	12,889
	Health and Safety	• Occurrence of serious accidents • Occupational illnesses • Investigations and litigations	1,269
	Quality assurance	• Occurrence of quality problems detrimental to the Kubota brand, etc.	414
	Labor management	• Breach of duties of care as to safety of employees • Improper management of working conditions • Improper management of part-time employees, contractors and agency employees • Occurrence of labor problems outside Japan	6,997
	Information security	• Computer virus infection • Information leakage • Information system failure	3,128
	Intellectual property	• Infringement of other companies' intellectual property	820
Internal control over compliance	Compliance with laws and regulations related to equipment	• Non-compliance with laws and regulations of the Building Standards Act, the Fire Service Act, and the Industrial Safety and Health Act, etc. in connection with assets and facilities owned by Kubota	600
	Earthquake and other disaster response management	• Important managerial losses including danger to human lives due to earthquakes and other disasters, damage to equipment, and destruction of the information system	79
	Compliance with the Construction Business Act	• Non-compliance with the Construction Business Act	499
	Human rights advancement*2	• Occurrence of human rights violation issues	—
	Safe driving management	• Accidents arising from non-compliance with traffic laws and regulations and violating acts	121
	Prevention of illegal payments	• Trading with antisocial forces • Non-compliance with the Political Funds Control Act • Improper payments to foreign public officials	15
	Classified information management	• The leakage of classified information including a development plan for a new product and sales plan	446
	Protection of personal information	• Leakage and loss of personal information related to customers, employees, etc. • Improper use of personal information	391
	Import and export control	• Non-compliance with laws and regulations related to importing and exporting, including the Customs Act, the Foreign Exchange and Foreign Trade Control Law, the Basel Convention, and laws related to chemical substances	83
Compliance with laws and regulations related to logistics	• Non-compliance with the three major road laws, including the Road Traffic Act; and with the laws and regulations related to logistics activities, including the Labor Standards Act, etc.	607	

*1 Number of audited items is the sum of the number of items audited in each of the divisions subject to audit.

*2 Activities for human rights advancement focused mainly on training, the release of information, and the follow-up of survey results.

Kubota Hotline (whistleblowing system)

As a framework to supplement its risk management, Kubota operates a whistleblowing system. This system aims to prevent, or quickly detect and correct, any illegal or unethical acts as well as to develop an open corporate culture. Aside from this system, Kubota also operates an Audit & Supervisory Board member hotline for reporting of matters relating to Kubota directors and a supplier hotline for our outside business partners.

[Types of contact points and matters handled]

- Corporate Compliance Department: Compliance issues other than human rights (anonymous reporting acceptable)
- Human Rights Advancement Department: Human rights issues (anonymous reporting acceptable)
- Outside lawyers: Compliance in general including human rights issues (anonymous reporting acceptable)

* Human Rights Advancement Consultation Office has been established at each group company and business site so that people can more easily seek consultation.

[Available to]

Full-time, part-time, temporary and agency employees of Kubota and its Group companies in Japan

* In line with the legislative change, the system was extended in April 2022 to directors and retired employees (within one year).

* Each overseas base handles whistleblowing reports individually and notifies the Kubota head office of any significant ones.

* Starting from 2017, all whistleblowing cases in China are reported to the Kubota head office.

* We also plan on operating a global hotline focusing on certain significant risks.

[Protection of whistleblower]

The Whistleblowing System Operation Rules set out clearly the bullet points indicated below. Additionally, the staff at each base who handle reports are required to sign a strict confidentiality agreement.

- “No one may be disadvantaged as a result of his/her whistleblowing report.”
- “Excluding cases where the consent of the whistleblower has been obtained, the content of the reported issue, personal information obtained during investigations, and any other information may not be misappropriated or leaked.”

[Activities to raise awareness of the system]

Various measures have been taken to ease the whistleblower’s potential concern, which is often caused through insufficient understanding on the system.

The Company newsletter and website provide information on:

- The number of reports received for each content category, and past cases (outline)
- The flow of processes of the whistleblowing system
- The objective of the system, protection of whistleblowers, handling of anonymity, etc.

[Reporting to executive management]

Information on the content and the number of reports is regularly presented to executive management to provide an overview of risk and enable measures to prevent recurrence.

[Number of cases reported (in Japan)]

Period	Number of cases
Jan.–Dec. 2016	30
Jan.–Dec. 2017	52
Jan.–Dec. 2018	71
Jan.–Dec. 2019	59

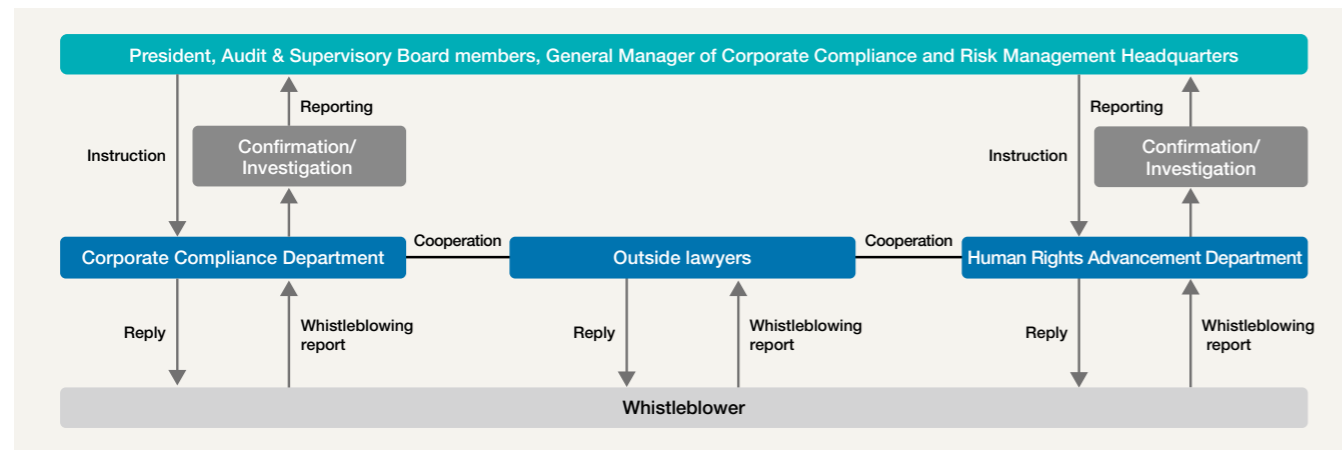
Period	Number of cases
Jan.–Dec. 2020	74
Jan.–Dec. 2021	122
Jan.–Dec. 2022	100

* Including enquiries and matters that were found not to be problematic as a result of investigation

[Other]

Moreover, a write-in column is available for every employee to make comments freely, if any, in the Kubota Group Employee K-ESG Awareness Survey (the former CSR Awareness Survey), which is answered anonymously. It is an opportunity for employees to give their frank reports and opinions, enabling the Company to develop an open corporate culture.

Flowchart of Kubota Hotline



Ensuring Reliability of Financial Reporting

Kubota has established and operates an internal control system in order to ensure the reliability of financial reporting for the entire Kubota Group, including its overseas subsidiaries.

Also to confirm the effectiveness of the system, the Corporate Auditing Department and the auditing divisions of the subsidiaries conduct internal audits regularly.

Kubota has also established a system for evaluating the effectiveness of internal controls on a consolidated basis. This assessment is based on the abovementioned auditing results, and conforms to the internal control reporting system related to financial reporting stipulated by the Financial Instruments and Exchange Act of Japan (J-SOX) and other ordinances.

Appropriate Tax Payment and Management

The Kubota Group’s basic principle is to comply with the tax laws and regulations of each country, as well as with the relevant international tax standards (OECD Guidelines, etc.) and to enhance our corporate value by paying the appropriate amount of taxes. We believe tax payments are part of a company’s key social responsibilities; therefore, we provide training and educational opportunities to our employees. We also disclose important tax-related matters to our stakeholders in a timely manner. We strive to establish trust with tax authorities by providing appropriate information in a timely manner and engaging with authorities openly and transparently.

Compliance with the Anti-Monopoly Act/Competition Law

We realize that full implementation of compliance is key to establishing Kubota as a Global Major Brand. The Kubota Group therefore engages in the risk management activities set out below to ensure advance prevention of any infringement of antimonopoly or competition law.

Education and Enlightenment Activities

Kubota continuously offers training programs on the Anti-Monopoly Act/Competition Law at its business divisions as well as its Group companies, for enlightenment and awareness-raising to ensure compliance. Legal training programs, which cover a broad range of legal matters including competition laws, are also provided for employees who are to be dispatched to overseas Group companies as managers.

Auditing and Risk Management Surveys

Kubota continuously conducts audits under the Anti-Monopoly Act/Competition Law, including on-site inspection, targeting its business divisions and Group companies in Japan. For overseas Group companies as well, Kubota gauges the status of risk management through document audits, email, and communication through online meetings and other venues.

Maintaining and Expanding the Consultation System

On matters related to business activities of Kubota and its Group companies that require examination under the Anti-Monopoly Act, Kubota implements necessary measures including facilitating advance consultation with lawyers and other external experts, based upon close communication with relevant business departments and Group companies.

Compliance with the Act against Delay in Payment to Subcontractors

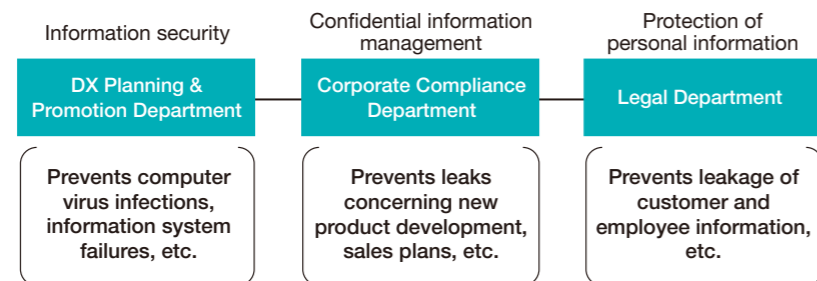
Kubota conducts on-site audits and written surveys targeting each of its business divisions and Group companies in Japan on a periodic basis. Kubota also offers periodic training programs to promote understanding of the Act against Delay in Payment to Subcontractors at each business site and Group company. In addition, we are developing voluntary risk management systems by holding ongoing discussions on risk with related departments regarding practices related to the Subcontract Act.

Information Management

As cyberattacks yearly grow more sophisticated and more complex, Kubota is aware that the appropriate protection and management of the personal information of its customers and other stakeholders is an important social responsibility. In order to secure its competitiveness, Kubota is also devoted to preventing the leakage of confidential information such as technological information.

Information Management System

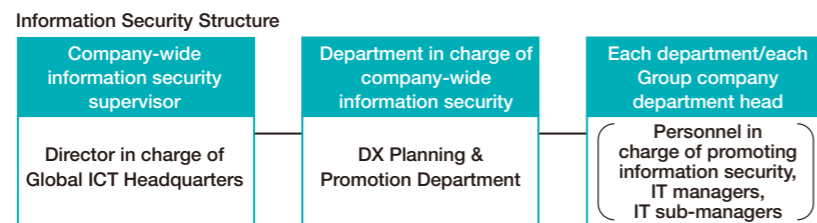
Depending on the type of information, Kubota appoints main divisions to conduct ongoing activities such as revising rules, auditing, and awareness-raising at their respective locations. These activities are also conducted at overseas bases. When necessary, these divisions cooperate with each other in risk management.



Information Security Initiatives

Under a Group-wide framework directed by the Company-wide information security supervisor, we assign highly expert staff with specialist Japanese or overseas qualifications, such as Registered Information Security Specialists or Certified Information Systems Security Professionals (CISSP), to the department in charge of company-wide information security. We also appoint personnel in charge of promoting information security (IT Managers) at each department and Group company. In this way, we implement Group-wide security measures based on the policies formulated by the department in charge.

We have also established Kubota-CSIRT, an organization for managing information security-related incidents/accidents. In the case of such incidents or accidents in the Group, we promptly share information, responding rapidly and taking measures to minimize damage.



System Response and Monitoring

To guard against computer viruses, unauthorized intrusion into systems and networks from the outside, or other threats, we have implemented and are centrally managing multilayered security measures worldwide, including the use of antivirus software, vulnerability assessments, and robust authentication mechanisms involving multifactor authentication. By additionally introducing platforms that use AI and other technologies to analyze security logs, we are also reinforcing measures to detect and deal with suspect activity at an early stage.

Information Security Education

We recognize that each employee also plays a vital role in dealing with information security threats. For this reason, we mandate periodic information security education for employees who handle information. We seek to gain greater understanding of measures each employee must observe, including how to deal with suspicious emails.

Information Security Audits

To raise the level of the information security response across the entire Kubota Group, we have established a common Group information security policy and conduct information security audits every year to ascertain compliance status.

Reinforcing Measures against New Threats

In dealing with the COVID-19 pandemic, the Kubota Group adopted more flexible working styles not restricted by time or place, such as working from home. We have been working on the implementation and reinforcement of the security infrastructure focusing on authentication, and endpoints, networks, and other elements based on a zero-trust approach to support such working styles and further improve security.

Prevention of Illegal Payments

The Kubota Group has placed particular focus on preventing bribery among risk management activities on the preventing of illegal payment, and will work to achieve SDGs Target 16.5: Substantially reduce corruption and bribery in all their forms.

Amid increasing international moves to anti-bribery, we marked December 9 – designated by the United Nations as International Anti-Corruption Day – by broadcasting a President's Message to all Kubota Group officers and employees every year. In the message, our top management made a clear commitment by declaring that 'KUBOTA Group never allows business based on unfair practices such as bribery.'

As a focused initiative to educate officers and employees on prevention of bribery, the Kubota Group operates a program of training sessions in Japan and overseas. In FY2022, we carried out web-based training and e-learning programs. In the web-based training, information on bribery-related legislation and enforcement conditions in each country is presented as well as case studies of bribery. The e-learning was prepared to have an impact on viewers by introducing a video message from the President of Kubota Corporation at the beginning, as well as incorporating video and comprehension testing into the program. Through ongoing training sessions, the Kubota Group seeks to disseminate the latest information and promote awareness of bribery prevention.

We have put together a Kubota Group Handbook for Anti-Bribery which outlines our Anti-Bribery Policy and the main points of our Anti-Bribery Guidelines. The Handbook is issued in a global version with universal content available in Japanese, English and French, and in individual country versions that supplement the universal content with more detailed information on the points to be noted and actions to be taken in the particular country or region. These are available for China, Thailand, Korea, Indonesia, Myanmar, the Philippines, Vietnam, and Mexico. Additionally, we issue a newsletter that collects and organizes information, for instance on the anti-bribery laws and regulations in various countries and cases where bribery has been exposed, and introduces this information to the departments within the company, mainly to the overseas bases.

Meanwhile, as an initiative directed outside the company, a 'Request to Suppliers' was posted on the Kubota website in the name of the General Manager of the Corporate Compliance and Risk Management Headquarters. The text outlined to suppliers the Kubota Group's approach to bribery prevention and asked for their understanding and cooperation in bribery prevention activities.

We have worked to enhance our internal reporting system with the aim of facilitating early detection and prevention of bribery and other improper activity. For example, we have been working to introduce a global whistleblowing hotline.

To verify these risk management activities, the Kubota Group has established the Committee on Prevention of Illegal Payments. In FY2022, document surveys were conducted at 11 companies in Japan and 45 overseas bases to investigate whether preventive frameworks were in place and sufficiently functioning, as well as whether there were any illegal payments.

The policies for these risk management activities and the results are periodically reported to the Board of Directors through the Kubota Group Risk Management Committee (the former Company-wide Risk Management Committee was reorganized in January 2023), which is chaired by the President. Based on the feedback provided, the content of risk management activities is reviewed to improve the overall level.



Message from Mr. Kitao, President, Kubota Corporation (Screenshot of Thomson Reuters e-learning)

The Kubota Group Anti-Bribery Policy (Excerpt)

As specified in the Kubota Group Charter for Action, we commit ourselves to "conducting corporate activities based on compliance with legal regulations and ethical principles." As such, Kubota Group never allows business based on unfair practices such as bribery.

The Group also strictly prohibits all of its companies, officers and employees from being involved in bribery.

President, Kubota Corporation

“Kubota Group Charter for Action & Code of Conduct”

All the employees working for the Kubota Group, including those overseas, are required at the time of joining the Group to submit a written “Confirmation Statement” that they will comply with the Kubota Group Charter for Action & Code of Conduct, and the corporate principles, the Kubota Global Identity.

Furthermore, various tools for education and awareness-raising are prepared with the aim of fostering a mindset based on compliance and the corporate principles.

“Kubota Group Charter for Action & Code of Conduct” (Itemized)

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Winning Customer Satisfaction <ol style="list-style-type: none"> (1) Product Safety and Superior Quality (2) Responding to Customer Requests and Complaints (3) Appropriate Advertising and Labeling 2. Conducting Corporate Activities Based on Compliance with Legal Regulations and Ethical Principles <ol style="list-style-type: none"> (1) Legal Compliance and Observance of Corporate Ethics Are Basic Conditions for Corporate Activities (2) Observance of Laws of Individual Countries and Regions, as well as International Rules (3) Early Detection and Prevention of Misconduct (4) Compliance with Fair Trade Laws and Regulations (5) Fairness and Transparency in Transactions (6) Compliance with Internal Rules (7) Prohibition of Activities Contrary to the Proper Interest of the Company (8) Preservation of Company Assets (9) Respect for and Usage of Intellectual Property (10) Management of Confidential Information <ol style="list-style-type: none"> (11) Security of Electronic Information 3. Respecting Human Rights <ol style="list-style-type: none"> (1) Respecting Human Rights (2) Prohibition of Harassment (3) Protection of Personal Information | <ol style="list-style-type: none"> 4. Building up a Safe and Vibrant Work Environment <ol style="list-style-type: none"> (1) In-depth Supervision of Safety, Sanitation, and Health (2) Building up a Vibrant Work Environment 5. Conserving the Global and Local Environment <ol style="list-style-type: none"> (1) Environmental Conservation Efforts in All Business Activities (2) Global Environmental Conservation (3) Environmental Protection to Create a Symbiotic Relationship with Local Societies (4) Our Voluntary and Organized Efforts in Environmental Conservation 6. Achieving Symbiosis with International and Local Societies <ol style="list-style-type: none"> (1) Respect of Culture and Customs of All Countries and Regions (2) Compliance with Export and Import Laws and Regulations (3) Elimination of Relationships with Antisocial Elements (4) Proper Relationships with Political Groups and Government Organizations (5) Rules for Entertainment, Gifts, and Donations (6) Contributing to Society (7) Firm Commitment to Safe Driving 7. Fulfilling Responsibilities for Improving Management Transparency and Accountability <ol style="list-style-type: none"> (1) Appropriate and Timely Disclosure of Corporate Information (2) Proper Accounting/Taxation Treatment (3) Emphasis on Internal Audits (4) Prohibition of Insider Trading |
|--|--|



See here for the “Kubota Group Charter for Action & Code of Conduct”

www.kubota.com/sustainability/employee/conduct/

* Kubota makes adjustments to its “Kubota Group Charter for Action & Code of Conduct” as and when necessary in response to changes in the social environment as well as applicable laws, and partial revisions were made on January 1, 2019. Of particular note is the addition of “contractual obligations” to “We comply with all applicable legal regulations, specifications, standards, and contractual obligations with our customers and business partners” in “1. Winning Customer Satisfaction” in our “Code of Conduct.” We also clarified that guaranteeing safety for our customers is our utmost priority. These revisions were part of efforts to prevent recurrence of inappropriate actions regarding inspection reports, announced in FY2018.

Tools for Awareness-building

“Kubota Group Code of Conduct Guide”

A guide describing the “Kubota Group Charter for Action & Code of Conduct” in a straightforward way using illustrations and explanations. In September 2019, the guide was revised and issued to all domestic Kubota Group employees.

“Compliance Support Courier”

A document that uses illustrations and Q&As to encourage employees to think about common compliance issues. Distributed monthly by e-mail.

Poster for Awareness of Kubota Hotline

In accordance with the amendment of Whistleblower Protection Act of Japan on June 2022, major points of those were instructed by the in-group newsletter and a poster to build awareness. (Group companies in Japan)