

KUBOTA Corporation

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Notice of the issuance of new shares
under the restricted stock compensation plan

Kubota Corporation (hereinafter, “the Company”) has resolved at the Meeting of the Board of Directors held on March 24, 2017 to issue new shares (hereinafter, “New Share Issuance”) as follows.

1. Outline of the New Share Issuance

(1) Payment date	April 21, 2017
(2) Type and number of shares to be issued	35,036 shares of common stock of the Company
(3) Payment price	¥1,718.50 per share
(4) Total value of the issuance	¥60,209,366
(5) Method of offering or allocation	Allocation of restricted stocks
(6) Method of contribution	In-kind contribution of monetary compensation claims
(7) Recipients and number thereof; number of shares to be allocated	6 Directors of the Company (excluding Outside Directors) : 35,036 shares
(8) Others	The Company has filed a written notice of securities regarding the New Share Issuance pursuant to the Financial Instruments and Exchange Act.

2. Purpose and reasons for the issuance

The Company has resolved at the Meeting of the Board of Directors held on February 14, 2017 to newly introduce a restricted stock compensation plan (hereinafter, “Plan”) for the Company’s Directors other than the Outside Directors (hereinafter, “Directors Covered by the Plan”) with the objectives of offering incentives to achieve sustained improvement of the corporate value of the Company and sharing more of that value with shareholders. Furthermore, at the 127th Ordinary General Meeting of Shareholders, which was held today, it was approved by the shareholders that under the Plan, the amount of monetary compensation claims to be granted to the Directors Covered by the Plan for the granting of restricted shares shall be ¥300 million or less per year and that the transfer restriction period of the restricted shares shall be between three and five years based on a decision by the Board of Directors of the Company.

3. Overview of the Plan

Directors Covered by the Plan pay in as property contributed in kind all the monetary compensation claim paid from the Company based on the Plan, and receive the issuance or disposal of the common shares of the Company. Based on the Plan, the total amount of the monetary compensation claim to be paid to Directors Covered by the Plan

shall be ¥300 million or less per year. The specific payment timing and amount to be paid to each of the Directors Covered by the Plan will be decided by the Board of Directors. In addition, the total number of common shares of the Company newly issued to the Directors Covered by the Plan or disposed of by the Company under the Plan shall be 400,000 shares or less per year*, and the amount paid in per share shall be the amount determined by the Board of Directors within the scope that is not an amount that is particularly advantageous to the Directors Covered by the Plan who underwrite said common shares, based on the closing price of the common shares of the Company in the Tokyo Stock Exchange market on the business day immediately prior to the date of each resolution of the Board of Directors (in the case that the transactions has not been established on that day, the closing price on the most-recent trading day preceding that day).

When the Company's shares are to be issued or disposed of under this Plan, the Company and the Directors Covered by the Plan shall conclude a contract for allocation of restricted stock (hereinafter, Allocation Contract) with the following contents: (i) Directors Covered by the Plan must not, for a fixed period, transfer, create a security interest on, or otherwise dispose of the common shares of the Company allocated under the Allocation Contract and (ii) in the case of occurrence of specified event(s), the Company shall acquire said common shares at no cost, etc.

*Note: Regarding the Company's common shares, in the event of the conduct of share splits or reverse share splits, after the effective date of such events in proportion to the share splits or reverse share splits, adjustments will be made in the total number of common shares within a reasonable scope as necessary.

4. Details of the New Share Issuance this time

This time, after the consideration of the objectives of the Plan, the Company's business performance, and the scope and nature of the performance of duties of individual Directors, the Company decided to pay a total amount of ¥60,209,366 million in monetary claims (hereinafter, Specified Monetary Claims) for the granting of 35,036 shares of common stock of the Company (hereinafter, Specified Allocated Shares) to the 6 Directors Covered by the Plan.

Based on the Plan, the 6 Directors Covered by the Plan to whom newly issued shares are scheduled to be allocated will pay in as property contributed in kind all the Specified Monetary Claims and receive the issuance of Specified Allocated Shares.

The Specified Monetary Claims shall be paid as a portion of compensation for continuing services over the next one-year period. On the other hand, since the purpose of introducing this Plan is to provide incentives to achieve sustained improvement of the corporate value of the Company, the transfer restriction period for the Specified Allocated Shares has been set at three years.

5. Summary of the Allocation Contract

The Company and the Directors Covered by the Plan will conclude the Allocation Contract individually, and the summary of the Allocation Contract is as follows:

- (1) Transfer restriction period: April 21, 2017 to April 20, 2020
- (2) Cancellation of the transfer restrictions

- ① General rules

On the condition that the Directors Covered by the Plan have maintained the status of Directors or Executive Officers continuously during the transfer restriction period, the transfer restrictions for all of the Specified Allocated Shares shall be cancelled at the expiration of the transfer restriction period.

- ② In case that the Director resigns due to the completion of his/her term of office or other legitimate reasons

On the condition that the Director Covered by the Plan has maintained the status of Director or Executive Officer

continuously until his/her resignation, the figure obtained by dividing the number of months passed from the month including the payment date to the month including the date of resignation by 12 (However, when the resulting number is more than 1, the number shall be set at 1.) and then multiplying this figure by the number of shares allocated to the Director who resigns, the transfer restrictions for that number of shares (However, as a result of the calculation, the number of shares less than one share shall be truncated.) shall be cancelled at the time immediately after the resignation.

③ In case that the Director resigns due to death

On the condition that the Director Covered by the Plan has maintained the status of Director or Executive Officer continuously until his/her resignation, the figure obtained by dividing the number of months passed from the month including the payment date to the month including the date of resignation by 12 (However, when the resulting number is more than 1, the number shall be set at 1.) and then multiplying this figure by the number of shares allocated to the Director who resigns, the transfer restrictions for that number of shares (However, as a result of the calculation, the number of shares less than one share shall be truncated.) shall be cancelled at the time immediately after the resignation.

(3) The Company's acquisition of the shares at no cost

The Company will naturally acquire at no cost all of the allocated shares for which the transfer restrictions have not been cancelled at the time immediately after the determination not to cancel the transfer restrictions.

(4) Administration of shares

To prevent the transfer of shares subject to transfer restrictions and to handle any arrangements related to collateral liens on such shares as long as the restrictions are in effect, the Directors Covered by the Plan open a dedicated accounts with Nomura Securities Co., Ltd. for administration of the allocated shares. To enforce the restrictions on the allocated shares, the Company enters into a contract with Nomura Securities Co., Ltd. for the administration of the shares. In addition, the Directors Covered by the Plan agree to the method of administration of this account.

(5) Treatment in the event of organizational restructuring, etc.

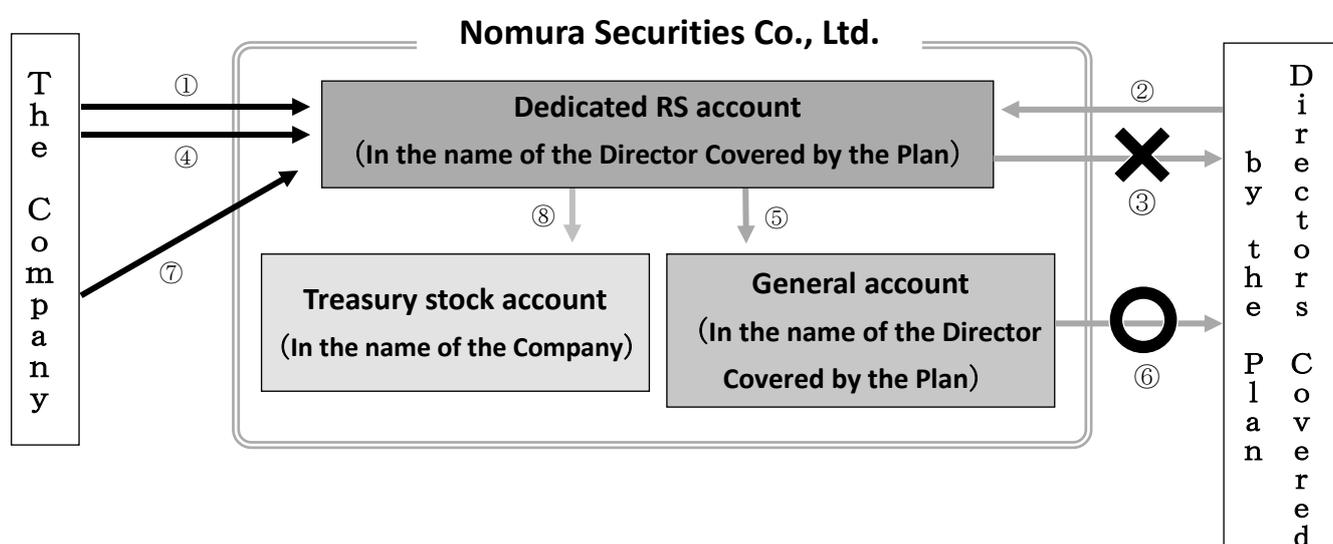
During transfer restriction period, if the General Meeting of Shareholders of the Company approves a merger contract under which the Company will become a dissolving company, and a stock exchange agreement or stock transfer plan under which the Company will become the wholly owned subsidiary of another company (or, if the approval of the shareholders is not necessary, if the Board of Directors of the Company approves), the figure obtained by dividing the number of months passed from the month including the payment date to the month including the approval date of organizational restructuring by 12 (However, when the resulting number is more than 1, the number will be set at 1.) and then multiplying this figure by the number of allocated shares held on the day of that approval, the transfer restrictions for that number of shares (However, as a result of the calculation, the number of shares less than one share will be truncated.) shall be cancelled immediately before the business day immediately prior to the effective date of the said organizational restructuring by resolution of the Board of Directors of the Company.

6. Basis for calculating the amount to be paid in for the Specified Allocated Shares and other specific details

The issuance of new shares to the prospective recipients of the allocated shares will be made by way of in-kind contribution of the monetary compensation claims granted as the restricted stock compensation under the Plan for the Company's 128th business period. To avoid issuing the shares based on arbitrary decisions on price, the closing price of the Company's common shares on the First Section of the Tokyo Stock Exchange of ¥1,718.50 on March 23, 2017 (the

business day immediately prior to the date of the resolution by the Board of Directors), is taken to be the reference price. Since this was the market price immediately before the date of the resolution of the Board of Directors, it is believed to be reasonable. Note that the divergence ratio from the price of ¥1,787, which was the simple average of closing prices on the First Section of the Tokyo Stock Exchange over a one-month period (from February 24, 2017 to March 23, 2017), (with amounts less than ¥1 truncated here and elsewhere), was (3.83%). (Divergence figures have been rounded up at the three-digit level below the decimal here and elsewhere.) The divergence ratio from the simple average value of ¥1,781 of the closing prices for the three-month period (from December 26, 2016 to March 23, 2017) was (3.51%), and the divergence ratio from the simple average value of ¥1,717 of the closing prices for the six-month period (from September 26, 2016 to March 23, 2017) was 0.09%. Accordingly, the price is believed not to be particularly advantageous to the share recipients.

For reference: Managerial flow of restricted stocks (RS) in the restricted stock compensation plan



- ① Request for administration of RS-dedicated account
- ② Opening of RS-dedicated account
- ③ Withdrawal is not possible
- ④ Notice of removal of transfer restrictions on RS shares
- ⑤ Removal of transfer restrictions on RS shares
- ⑥ Withdrawal is possible
- ⑦ Notice of acquisition of shares at no cost
- ⑧ Acquisition of shares at no cost

< Cautionary Statements with Respect to Forward-Looking Statements >

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