

KUBOTA Corporation

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**Notice of the disposal of treasury shares
 under the restricted stock compensation plan**

Kubota Corporation (hereinafter, the “Company”) has resolved at the meeting of the Board of Directors dated March 22, 2019 to dispose of its treasury shares (hereinafter, “Disposal of Treasury Shares” or “Disposal”) as follows.

1. Outline of the Disposal

(1) Date of disposal	April 19, 2019
(2) Class and number of shares to be disposed	64,250 common shares of the Company
(3) Disposal price	¥1,598 per share
(4) Total value of the disposal	¥102,671,500
(5) Recipients of shares to be disposed and number thereof; number of shares to be disposed	Six Directors of the Company (excluding Outside Directors); 64,250 shares
(6) Others	The Disposal of Treasury Shares is conditional on the effectuation of the securities registration statement filed in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reasons for the Disposal

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, 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 for the restricted shares shall be based on a decision made by the Board of Directors of the Company and be between three and five years.

The summary of the Plan is as follows:

[Summary of the Plan]

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

¥300 million or less per year. The specific payment timing and allotment for 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 to be paid in per share shall be the amount determined by the Board of Directors within the scope that will not be particularly advantageous to the Directors Covered by the Plan who subscribe to 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 transaction 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 an agreement for allotment of restricted shares 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 allotted under the Allotment Agreement and (ii) in the case of occurrence of specified event(s), the Company shall acquire said common shares at no cost, etc.

This time, after the consideration of the objectives of the Plan, the Company's business performance, the scope of duties of individual Directors Covered by the Plan and various factors, the Company decided to pay a total amount of ¥102,671,500 in monetary compensation claims (hereinafter, "Monetary Compensation Claims") for the granting of 64,250 common shares of the Company to the six Directors Covered by the Plan.

Based on the Plan, the six Directors Covered by the Plan to whom disposal of shares is scheduled to be allotted will pay in as property contributed in kind all the Monetary Compensation Claims and receive the disposal of common shares of the Company (hereinafter, "Allotted Shares") upon the Disposal of Treasury Shares.

The Monetary Compensation 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 and to share more of that value with shareholders, the transfer restriction period for the Allotted Shares has been set at three years. The overview of the agreement for allotment of restricted shares to be concluded between the Company and the Directors Covered by the Plan upon the Disposal of Treasury Shares (hereinafter, "Allotment Agreement") is described in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period: April 19, 2019 to April 18, 2022

(2) Conditions for the cancellation of the transfer restrictions

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 Allotted Shares shall be cancelled at the time of expiration of the transfer restriction period.

(3) Treatment in the case where Directors Covered by the Plan resign due to legitimate reasons such as the completion of his/her term of office or mandatory retirement during the transfer restriction period

(i) Timing of the cancellation of the transfer restrictions

If a Director Covered by the Plan resigns or retires from all the positions as Director of the Company due to legitimate reasons (except in the case of resignation or retirement due to death) such as the completion of his/her term of office or mandatory retirement, the transfer restrictions shall be cancelled at the time immediately after his/her resignation or retirement. In the case of resignation or retirement due to death, the transfer restrictions shall be cancelled at the time decided separately by the Board of Directors after the death of the Director Covered by the

Plan.

(ii) Number of shares for which the transfer restrictions are to be cancelled

This shall be the number of shares calculated by multiplying the Allotted Shares held at the time of the resignation or retirement set forth in (i) by the number derived by dividing the period of service (on a monthly basis) associated with the transfer restriction period of the Director Covered by the Plan by 12 (When the resulting number is more than 1, the number shall be set at 1.) (However, as a result of the calculation, the number of shares less than one share shall be truncated.).

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

The Company will naturally acquire at no cost all of the Allotted Shares for which the transfer restrictions have not been cancelled at the time of the expiration of the transfer restriction period, or at the time of the cancellation of the transfer restrictions stipulated in (3) above.

(5) Administration of shares

To prevent the transfer, creation of a security interest on, or disposal of the Allotted Shares for as long as the restrictions are in effect, the Directors Covered by the Plan open dedicated accounts with Nomura Securities Co., Ltd. for the administration of the Allotted Shares during the transfer restriction period. To ensure the effectiveness of the restrictions on the Allotted Shares, the Company enters into an agreement with Nomura Securities Co., Ltd. regarding the administration of the accounts for the Allotted Shares held by the Directors Covered by the Plan. In addition, the Directors Covered by the Plan agree to the administration details for the accounts.

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

During the transfer restriction period, in the case that matters regarding merger agreements under which the Company becomes the disappearing company, share exchange agreements or share transfer plans under which the Company becomes a wholly owned subsidiary of another company, or any other organizational restructuring, etc. are approved at the General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors of the Company in the case that approval by the General Meeting of Shareholders of the Company is not required regarding the said organizational restructuring, etc.), 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 Allotted Shares held on the day of that approval, the transfer restrictions for that number of Allotted 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.

4. Basis for calculating the amount to be paid in for the Allotted Shares and other specific details

The Disposal of Treasury Shares to the prospective recipients of the allotted shares will be made by way of in-kind contribution of the monetary compensation claims paid for granting restricted shares under the Plan for the Company's 130th business term. To avoid issuing the shares based on arbitrary decisions on price, the closing price of the common shares of the Company on the First Section of the Tokyo Stock Exchange of ¥1,598 on March 20, 2019 (the business day immediately prior to the date of the resolution by the Board of Directors), is taken to be the disposal 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.

< 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.

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