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KUBOTA Corporation
Corporate Governance Policy

Contents

I. Basic Policy
1. Basic Policies on Corporate Governance and Purpose of Establishing the Corporate Governance Policy
2. Corporate Philosophy
3. Business Strategies, Business Plans, and Sustainability Initiatives
(1) Long-Term Vision and Mid-Term Business Plan
(2) Sustainability Initiatives

II. Corporate Governance System
1. Approach to the Design of Organizations
2. Board of Directors
3. Audit & Supervisory Board
4. Nomination Advisory Committee and Compensation Advisory Committee
5. Value Up Discussion Meeting
6. Management Committee
7. Directors
8. Audit & Supervisory Board Members
9. Effectiveness Evaluation of the Board of Directors
10. Nomination of Director and Audit & Supervisory Board Member Candidates and Appointment and Dismissal of Senior Management
11. Compensation of Directors and Audit & Supervisory Board Members
12. Executive Training
13. Independent Auditor
14. Internal Control and Risk Management

III. Cooperation with Stakeholders
1. Relationship with Shareholders
(1) Securing Shareholder Rights
(2) General Shareholder Meetings
(3) Constructive Dialogue with Shareholders
(4) Cross-Shareholdings
(5) Anti-Takeover Measures
(6) Capital Policy
(7) Related Party Transactions
2. Relationship with Stakeholders other than Shareholders
(1) Charter of Conduct and Code of Conduct
(2) Ensuring Diversity within the Company
(3) Whistleblowing
(4) Roles of Corporate Pension Funds as Asset Owners
3. Other
(1) Information Disclosure

Attachment 1. Independence Criteria for Outside Directors/ Audit & Supervisory Board Members

[ ] The numbers in parentheses indicate the principle number of the Japan's Corporate Governance Code.

Corporate Governance Policy

I. Basic Policy

1. **Basic Policies on Corporate Governance and Purpose of Establishing the Corporate Governance Policy**

[3.1 i) ii)]

We have established our long-term vision, "GMB2030[1]," aiming to become an "'Essentials Innovator for Supporting Life' committed to a prosperous society and cycle of nature." Under this vision, we are working toward the sustainable enhancement of corporate value. To realize this long-term vision, we have formulated our Mid-Term Business Plan 2030[2]. In pursuit of its achievement, we are further strengthening our corporate governance by enhancing management soundness, efficiency, and transparency.

The company has established this Corporate Governance Policy based on this basic policy, and strives to improve its corporate governance by continuously examining this Policy and implementing necessary improvements as appropriate, and by utilizing this Policy in dialogue with stakeholders.

2. **Corporate Philosophy** [2.1, 3.1 i)]

The Kubota Group (hereinafter, the "Group") positions its corporate philosophy, the "Kubota Global Identity," as the foundation of its corporate management. In keeping with this philosophy, the Group makes it its mission to continue to support the future of the earth and humanity by contributing products that help the abundant and stable production of food, help supply and restore reliable water, and help create a comfortable living environment.

3. **Management Strategy, Management Plan, and Sustainability Initiatives** [2.1, 2.3, 2.3.1, 2.4, 2.4.1, 3.1 i), 3.1.3, 4.1.2]

(1) **Long-Term Vision and Mid-Term Business Plan**

We have formulated our long-term vision "GMB2030" and set the Kubota Group's vision as an "'Essentials Innovator for Supporting Life' committed to a prosperous society and cycle of nature." To realize this long-term vision, we have formulated the Mid-Term Business Plan 2030 and have positioned the five years from 2026 to 2030 as the "Focus & Breakthrough" period to implement qualitative improvements in management. During this period, the Company will "break the past success" and aim to break through corporate value to a higher level and maximize sustainable corporate value through three Focuses ("selection and concentration of management resources," "strategic financial management with a focus on the balance sheet," and "a robust global foundation to support future growth.")

(2) **Sustainability Initiatives**

In the corporate philosophy, KGI, the Company has adopted the brand statement "For Earth, For Life" and promises to continue supporting the prosperous life of humans while protecting the environment of this beautiful earth. In order to realize Kubota Global Identity, the Company aims to become "Global Major Brand Kubota" (hereinafter, "GMB Kubota"), and have set forth the long-term vision GMB2030 as the vision for the year 2030.

Under GMB2030, the Company is committed to becoming an "Essentials Innovator for Supporting Life," that is, the Company is committed to ensuring both the sustainability of the global

[1] Long-Term Vision "GMB2030": https://www.kubota.com/corporate/vision/index.html

[2] Mid-Term Business Plan 2030: https://www.kubota.com/ir/financial/presentation/data/mp137e.pdf

environment and human society, as well as the sustainability of the Company; specifically, development of new solutions in the areas of food, water, and environment, as well as expansion of existing businesses and further adaptation to society. In addition, we are promoting ESG management to strengthen the management foundation that will drive and support these business developments.

In the Mid-Term Business Plan 2030, we position ESG management as a "robust global foundation to support future growth" and are working on four key ESG themes: "Climate Change," "Human Capital," "Corporate Governance," and "Risk Management."

The Company discloses its sustainability initiatives, including investments in human capital and intellectual property, in the Annual Securities Report,[3] the Kubota Group Integrated Report, and the Kubota Group ESG Report, [4] etc.

II. Corporate Governance System

1. Approach to Design the Corporate Governance Structure [4.10, 4.10.1]

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 Remuneration 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.

2. Board of Directors

(1) **Role of the Board of Directors** [General Principle 4, 4.1, 4.2, 4.2.2, 5.2.1]

- The Board of Directors makes strategic decisions and oversees the execution of duties by the Directors and Executive Officers. In addition to its regular monthly board meetings, it also meets as and when needed to discuss and make decisions relating to important management issues, such as business strategies, business portfolios, financial plans, investments, business restructuring, and governance.
- While welcoming healthy entrepreneurial proposals from management, the Board of Directors fully deliberates on such proposals from a multifaceted perspective in an independent and objective standpoint with the aim of securing accountability and supports swift and decisive decision-making by senior management when approved proposals are implemented.

(2) **Composition of the Board of Directors** [4.8, 4.11.1]

- The Board of Directors shall be constituted from the perspectives of maintaining the number of members appropriate for ensuring effective discussions at the meetings of the Board of

3 Annual Securities Report: https://www.kubota.com/ir/financial/securities/index.html

4 Kubota Group Integrated Report and Kubota Group ESG Report: https://www.kubota.com/ir/financial/integrated/index.html

Directors, manifesting its functions as a board of directors and ensuring its diversity (business domain, knowledge, experience, expertise, etc.), and maintaining soundness and transparency in management.
In addition, we have set forth the long-term vision "GMB2030" and "Mid-Term Business Plan 2030." In order to realize these goals, it is important for the members of the Board of Directors to complement each other by using their knowledge, experience and skills, based on diverse values. Therefore, the Nomination Advisory Committee, which has a majority of outside directors, deliberates on the skills necessary for the Board of Directors to fulfill its responsibilities appropriately and flexibly in light of management strategies, and discusses the composition of the Committee so that the Board of Directors may demonstrate high effectiveness. The combination of skills possessed by Directors and Audit & Supervisory Board Members is listed as a skills matrix and disclosed in materials for the General Meeting of Shareholders and in the Corporate Governance Report[5].

- At least one-third of the directors shall be independent outside directors. Independent Outside Directors shall include one or more persons with management experience at other companies. The composition of the Board of Directors, including the ratio of internal and external directors to the Board of Directors, is continuously discussed by the Nomination Advisory Committee and the Board of Directors.

(3) **Operation of the Board Meetings** [4.4.1, 4.8.1-2, 4.12.1]

- Materials for the Board of Directors meeting shall be distributed approximately one week prior to each board meeting to allow sufficient time for review.
- Independent Outside Directors are provided with sufficient information for deliberation by the Board of Directors through prior sharing of Management Committee materials related to proposals to be submitted to the Board of Directors, and prior briefings aimed at deepening understanding of the proposals, including the background business environment.
- The Board of Directors deliberates on the annual themes of discussion at the Board of Directors and Value Up Discussion Meeting (VUDM) and sets the agenda in light of the opinions of Independent Outside Directors.
- The frequency, number of agenda items, and the deliberation time of the board meetings are set appropriately. The Board of Directors uses written reports and other means to secure sufficient deliberation time for proposals.
- The Company secures the attendance rate of at least 80% of the Directors and Audit & Supervisory Board Members at the Board meetings.
- In general, the Board of Directors is held once a year at a site in Japan or overseas that is important for management strategy. In addition to the board meetings, the Board of Directors also visits local sites to enhance deliberations by the Board of Directors.
- The Board of Directors strengthens cooperation with Audit & Supervisory Board Members by having opportunities for discussion only between Outside Directors and Audit & Supervisory Board Members as necessary, including discussions on the evaluation of the effectiveness of the Board of Directors.

(4) **Scope of Delegation to Directors and Management** [4.1.1, 4.6]

- Matters to be resolved at the board meeting are clearly defined in the Regulations of the Board of Directors and the Detailed Regulations of the Board of Directors. In addition to matters stipulated in laws and the Articles of Incorporation, important matters affecting management are determined by resolution of the Board of Directors. We also set up a Value

[5] Corporate Governance Report: https://www.kubota.com/sustainability/governance/governance/index.html

Up Discussion Meeting (VUDM) to discuss important issues including management strategies in order to improve the medium- to long- term corporate value.

- On the other hand, in order to strengthen management and supervision functions, clarify business execution responsibilities, and transfer authority to expedite decision-making, the Company has introduced the Executive Officer system, which separates between the supervisory and executive functions by delegating an appropriate range of decision-making rights to each level of management, including Executive Officers at Management Committees and other management meetings.

3. Audit & Supervisory Board

(1) **Role of the Audit & Supervisory Board** [4.4]

- The Audit & Supervisory Board supervises and audits the execution of duties by directors. Regular Audit & Supervisory Board meetings are held once a month, and meetings are held as needed to discuss and determine audit policies and audit reports.

(2) **Composition of the Audit & Supervisory Board** [4.11]

- A person with diverse experience, knowledge, expertise, insight, and necessary financial, accounting, and legal knowledge is appointed as an Audit & Supervisory Board Member in order to appropriately audit and monitor management as an Audit & Supervisory Board Member. With regard to the composition of the Audit & Supervisory Board, one member shall be selected from persons with sufficient knowledge of finance and accounting, and more than half shall be selected in accordance with the independent standards specified by the Tokyo Stock Exchange and persons who meet the requirements of the independence standards specified by our Company.

4. Nomination Advisory Committee and Compensation Advisory Committee

(1) **Roles of Nomination Advisory Committee and Compensation Advisory Committee** [4.10, 4.10.1]

- As an advisory body to the Board of Directors, the Nomination Advisory Committee deliberates on matters related to the election of director candidates, the appointment and dismissal of the president, and the succession plan of top management.
- As an advisory body to the Board of Directors, the Compensation Advisory Committee deliberates on the consistency of compensation levels for Directors and Executive Officers, and the appropriateness of the compensation system.

(2) **Composition of Nomination Advisory Committee and Compensation Advisory Committee** [4.8.2]

- In order to incorporate an independent and objective perspective, the majority of the members of each advisory committee are independent outside directors.
- Both Advisory Committees are chaired by an Independent Outside Director.
- One Outside Audit & Supervisory Board Member attends the both Advisory Committees as an observer.

(3) **Management of Nomination Advisory Committee and Compensation Advisory Committee** [4.8.2]

- The content and results of deliberations at each Advisory Committee meeting are reported to the Board of Directors and taken into consideration in deliberations and resolutions at the Board of Directors.
- Each Advisory Committee periodically reports the status of its activities to the Board of Directors in order to strengthen cooperation with Directors and Audit & Supervisory Board Members.

5. Value Up Discussion Meeting

Kubota Corporation regularly holds the “Value Up Discussion Meeting” (hereinafter, the “VUDM”), where the members of the Board of Directors discuss topics that contribute to the company’s sustainable growth and enhancing corporate value in the medium- to long-term. The VUDM is positioned as a place not for decision-making but for exchanging opinions and sharing information, and the contents of discussions are communicated to the Executive Officers as appropriate.

6. Management Committee

A "Management Committee" is established to make decisions and deliberate on important issues. The Management Committee is responsible for making decisions and deliberations on investments and loans based on medium-to long-term management strategies. Important matters deliberated at the Management Committee are submitted to the Board of Directors based on a certain criteria.

7. Directors [4.5, 4.7, 4.11.2, 4.12, 4.13, 4.13.1-3, 4.14]

(1) The term of office of Directors shall be one year in accordance with the provisions of the Articles of Incorporation.
(2) The Directors recognize their fiduciary responsibility to shareholders, participate in important board decisions, and oversee the execution of operations by the Directors and Executive Officers.
(3) Directors actively express their opinions and engage in constructive discussions at board meetings, Value Up Discussion Meetings, and advisory committees.
(4) As necessary, Directors will seek additional information from the Company or obtain advice from outside experts at the Company's expense in order to obtain information that will enable them to effectively fulfill their roles and responsibilities as Directors.
(5) In order to appropriately fulfill the roles and responsibilities expected of Directors as a governance body at the Company, the Directors endeavor to deepen their understanding of their roles and responsibilities, as well as to acquire necessary knowledge and make efforts to update them appropriately.
(6) Concurrent positions with directors or audit & supervisory board members of other companies are held to the extent that they do not interfere with the Company's execution of duties. The status of important concurrent positions held by Directors is disclosed annually in the Reference Materials for the General Meeting of Shareholders and the Business Report for each fiscal year.
(7) Independent Outside Directors utilize their knowledge, experience, and expertise to provide advice from the perspective of sustainable growth and enhancement of corporate value of the Company from a medium- to long-term perspective, to supervise management, and to supervise conflicts of interest between the Company and management, and to appropriately reflect the opinions of stakeholders to the Board of Directors.
(8) The Company provides accurate information necessary for Directors to perform their duties, mainly through the Board of Directors' secretariat.

8. Audit & Supervisory Board Members [4.4.1, 4.5, 4.7, 4.11.2, 4.12, 4.13, 4.13.1-3, 4.14]

(1) The term of office of Audit & Supervisory Board Members shall be four years in accordance with the provisions of the Articles of Incorporation.
(2) The Audit & Supervisory Board Members recognize their fiduciary responsibility to shareholders and attend meetings of the Board of Directors and Value Up Discussion Meetings to participate in constructive discussions and audit the execution of duties by Directors.
(3) As necessary, Audit & Supervisory Board Members seek additional information from the Company or obtain advice from outside experts at the Company's expense in order to obtain information that enables them to effectively fulfill their roles and responsibilities as Audit & Supervisory Board Members.

(4) Concurrent positions with directors or audit & supervisory board members of other companies shall be held to the extent that they do not interfere with our company's execution of duties. The status of important concurrent positions of Audit & Supervisory Board Members is disclosed annually in the Reference Materials for the General Meeting of Shareholders and the Business Report for each fiscal year.

(5) In order to appropriately fulfill the roles and responsibilities expected of Audit & Supervisory Board Members as a governance body at the Company, Audit & Supervisory Board Members endeavor to deepen their understanding of their roles and responsibilities, as well as to acquire necessary knowledge and make efforts to update them appropriately.

(6) The Company has established the Office of Audit & Supervisory Board Members, and its dedicated staff appropriately provide necessary information to the Audit & Supervisory Board Members as they perform their duties.

9. Effectiveness Evaluation of the Board of Directors [4.11.3, 4.13]

- In order to continuously improve our corporate governance, the Company evaluates the effectiveness of the Board of Directors at the end of each fiscal year.
- Based on the results of the effectiveness evaluation, the Company considers action plans for issues identified, and the Company turns a continuous PDCA cycle to implement the action plans during the next fiscal year's Board of Directors meetings.
- In order to confirm and verify the validity of the Company's effectiveness evaluation process, the Company employs a third party to conduct an effectiveness evaluation once every three years in principle.
- The Company discloses the overview of the methods, processes, and results of the effectiveness evaluation for each fiscal year in the Kubota Group Integrated Report, the Kubota Group ESG Report, etc.

10. Appointment and dismissal of candidates for Directors and Audit & Supervisory Board Members and the appointment and dismissal of senior management

(1) **Policies for Nominating Directors, Audit & Supervisory Board Members, and Senior Management** [3.1 iv), 4.9]

- **Election Policy for Director Candidates**
  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 Directors), the Company appoints persons from inside the Company who have a wide perspective and extensive experience relating to the Company’s business operations, 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 and requirements of the independence criteria set forth by the Company(Attachment 1).
- **Election Policy for Candidates for Audit & Supervisory Board Members**
  In order to ensure the Audit & Supervisory Board Members’ role of auditing and supervising is carried out appropriately, the individuals nominated to serve as Audit & Supervisory Board Members have diverse experience, knowledge, specialization and insight. When considering the composition of the Audit & Supervisory Board, the Company nominates a group of individuals with one who has considerable knowledge in finance and accounting, and whose majority of members fulfill the requirements of independent officers stipulated by the Tokyo Stock Exchange and requirements of the independence criteria set forth by the Company

(Attachment 1).

- **Election Policy for Executive Officers**
  To realize our long-term vision, the Company appropriately appoints a person with the ability and experience to execute operations promptly.

(2) **Procedures for Nominating and Dismissing Director Candidates and for Appointing and Dismissing Senior Management Members** [3.1 iv), 4.1.3, 4.3.1-3]

- **Appointment and Dismissal Procedures and Succession Plan for President**
  The Nomination Advisory Committee not only deliberates on the candidates for the Board of Directors, but also has added "matters related to the appointment, dismissal and succession plan of the President" as matters for deliberation based on the understanding that the appointment and dismissal of the President is the most important strategic decision making, and discusses necessary qualities, skills, and training methods. The Board of Directors appoints the President considering the results of deliberations by the Nomination Advisory Committee.
  Dismissal procedures in the event of grounds for dismissal are carried out by resolution of the Board of Directors after deliberation by the Nomination Advisory Committee in accordance with the Regulations for Directors.
- **Appointment and Dismissal Procedures for Directors**
  The Company appoints Directors by resolution of the General Meeting of Shareholders after deliberation by the Nomination Advisory Committee and resolution of the Board of Directors. The Nomination Advisory Committee deliberates on each candidate from the perspective of his/her eligibility (experience, competence, expertise, internationality, etc.) and diversity as a member of the Board of Directors, with appropriate involvement and advice from independent outside directors.
  Dismissal procedures in the event of grounds for dismissal shall be carried out by resolution of the Board of Directors and by resolution of the General Meeting of Shareholders in accordance with the Rules for Directors.
- **Appointment and Dismissal Procedures for Audit & Supervisory Board Members**
  The Company appoints Audit & Supervisory Board Members by resolution of the General Meeting of Shareholders with the consent of the Audit & Supervisory Board from among the candidates selected in accordance with the standards for the Audit & Supervisory Board (policy for selection of candidates for Audit & Supervisory Board Members). Dismissal procedures are carried out by a special resolution at a general meeting of shareholders in accordance with the Companies Act.
- **Appointment and Dismissal Procedures for Executive Officers**
  Appointment and dismissal of Executive Officers by resolution of the Board of Directors in accordance with the Regulations for Executive Officers.

(3) **Explanation of Individual Nominations and Appointments of Directors, Auditors & Supervisory Board Members and Senior Management** [3.1 v)]

- The reasons for selecting candidates of Directors and Audit & Supervisory Board Members are stated in the proposal for each candidate in the Convocation Notice for the Ordinary General Meeting of Shareholders. If any ground for dismissal arises, the Company provides the necessary explanation.

11. Remuneration for Directors and Audit & Supervisory Board Members [3.1 iii), 4.2, 4.2.1]

- The Board of Directors determines the individual remuneration for Directors based on the policy determined by the Board of Directors and based on the deliberations and reports of the

Compensation Advisory Committee, within the limit amount resolved at the Ordinary General Meeting of Shareholders, based on consultation by the Board of Directors.

- Remuneration for internal Directors consists of fixed basic remuneration and performance-linked remuneration.
- Performance-linked remuneration consists of annual bonuses intended to motivate the achievement of business results in each fiscal year and stock compensation intended to share shareholder value and maximize the medium- to long-term corporate value in order to serve as sound incentives for sustainable corporate value growth.
- Remuneration for Outside Directors consists of basic remuneration, which is fixed remuneration, and stock-based remuneration, which is not linked to business performance. Stock-based remuneration is set for the purpose of further sharing value between outside directors and shareholders, and on the other hand, as the role of the Outside Directors is to oversee the Board of Directors and provide objective advice on management from positions independent from the conduct of business, the Company sets the amount of remuneration so that the ratio of stock-based remuneration to basic remuneration is not excessive.
- Remuneration for Audit & Supervisory Board Members consists only of basic remuneration from the viewpoint of their roles and independence and is determined by the consultation of the Audit & Supervisory Board Members taking into account their duties within the limit of the total remuneration of the Audit & Supervisory Board Members as resolved by the General Meeting of Shareholders.
- Details such as the policy for determining the remuneration of Directors and Audit & Supervisory Board Members, the ratio of remuneration linked to performance, and the ratio of cash remuneration to stock remuneration are disclosed in the Kubota Group Integrated Report and the Annual Securities Report, etc.

12. Executive training [4.14, 4.14.1-2]

- On their appointment, Outside Directors and Outside Audit & Supervisory Board Members receive explanations on topics such as Kubota's corporate principles, management strategies, and business portfolio. They are also actively provided with opportunities to visit major plants or tour overseas sites. In addition, through advance explanations of topics on the agenda for the Board of Directors and VUDM discussions, they are able to deepen their understanding of major management issues and medium- and long-term issues.
- The Company holds multiple executive forums each year for all Directors, Audit & Supervisory Board Members, and Executive Officers on topics such as ESG, human rights, health and safety, environment, quality, public relations, legal affairs, DX, and compliance in order to deepen their understanding of management strategies and business activities.

13. Independent Auditor [3.2, 3.2.1-2]

- The Independent Auditor and the Company recognize that the Independent Auditor has responsibilities to shareholders and investors. The Company monitors and verifies that the Independent Auditor maintains its independent position and conducts appropriate audits. The Company also receives reports from the Independent Auditor on the status of execution of its duties and requests explanations as necessary.
- The Audit & Supervisory Board confirms that sufficient audit time is ensured so the Independent Auditor may conduct high quality audits.
- The Independent Auditor and the internal audit execution departments report audit plans and results to the Audit & Supervisory Board on an occasional or regular basis. In addition, the Independent Auditor and the internal audit execution departments exchange information as necessary to ensure efficient auditing activities.

- The Company provides opportunities for the Independent Auditors to obtain information from the President and Representative Director, etc. as necessary.
- The Audit & Supervisory Board, after formulating criteria for appropriately selecting Independent Auditor candidate and evaluating the Independent Auditor, appropriately confirms and evaluates the structure of audit activities of the Independent Auditor, its independence, audit quality and appropriateness of remuneration, etc., and reviews and decides whether the appointment or reappointment of the Independent Auditor is necessary.

14. Internal Control and Risk Management [4.3, 4.3.4]

- The Board of Directors establishes matters concerning the establishment of the Company group's internal control system, including its risk management system.
- The Board of Directors periodically receives reports on the operational status of the Company group's internal control system, including its risk management activities, and oversees its operational status.
- The Company discloses the details of the development of the internal control system is on its website.

III. Cooperation with Stakeholders

1. Relationship with Shareholders

(1) **Securing Shareholder Rights** [Basic principles 1, 1.1, 1.1.3]

- The Company ensures the substantial equality of all shareholders, including minority shareholders and foreign shareholders, and takes appropriate measures to ensure the substantial rights of shareholders by, for example, developing various measures of exercising rights, and develops an environment in which shareholders can exercise their rights appropriately.

(2) **General Meeting of Shareholders** [1.1, 1.1.1-2, 1.2, 1.2.1-5]

- The Company sends the Convocation Notice and discloses the materials for the General Meeting of Shareholders including the Convocation Notice early enough to give shareholders sufficient time to consider the proposals for the General Meeting of Shareholders.
- To enhance constructive dialogue with shareholders, the Company avoids the date which is expected to be a so-called intensive date as much as possible when it sets the date for its General Meeting of Shareholders. In principle, the President and Representative Director chairs the meeting and endeavors to conduct dialogues with shareholders to the extent possible.
- The Company uses the “Electronic Voting Platform” in an effort to ensure the convenience of all the shareholders including those who cannot attend the General Meeting of Shareholders on the day.
- The Company translates the full text of the Convocation Notice into English to provide information necessary for shareholders including overseas institutional investors to exercise voting rights. Furthermore, it is disclosed on the “Electronic Voting Platform” and the Company’s website.
- The Company provides live streaming for shareholders who are not able to attend the General Meeting of Shareholders at the venues.
- If a considerable number of votes have been cast against a proposal by the Company at the General Meeting of Shareholders, the Board of Directors analyzes the reasons behind opposing votes and why many shareholders opposed and considers the need for shareholder dialogue and other measures.

- The Company provides in its Articles of Incorporation that certain matters resolved at the shareholders meeting, such as dividends, acquisition of treasury shares, and conclusion of liability limitation agreements, may be resolved by the Board of Directors from the viewpoint of ensuring the flexibility and expertise of management decisions.
- The Company discloses details of its initiatives to revitalize General Meetings of Shareholders and facilitate the exercise of voting rights in its Corporate Governance Report. [*]

(3) **Dialogue with Shareholders** [1.2, Basic Principle 5, 5.1, 5.1.1-3]

- Based on the recognition that constructive dialogue with shareholders and investors will contribute to the sustainable growth of the Company and the improvement of corporate value over the medium to long term, the Company periodically assesses the composition of shareholders and discloses a wide range of information from financial to non-financial information to shareholders and investors in a timely and appropriate manner. The Company also establishes a policy on constructive dialogue with shareholders and promotes constructive dialogue with shareholders and investors, etc. The policy on constructive dialogue with shareholders is disclosed in the Kubota Group ESG Report.
- The Company discloses its disclosure policy and the status on its IR activities including corporate information sessions to individual shareholders and investors, etc. in its Corporate Governance Report.

(4) **Cross-shareholdings** [1.4, 1.4.1-2]

- At the Company, each individual share of cross-shareholdings is examined annually at the Board of Directors in order to verify appropriateness of holding these shares, taking into consideration the purpose of holding, benefits and risks associated, and other factors. If it is determined that maintaining certain shares are no longer appropriate, shareholdings are gradually decreased, in light of the market environment and other factors. The Company discloses its policy on cross-shareholdings and the details of examination in its Annual Securities Report, etc.
- In the event that cross-shareholders (i.e., shareholders who hold the Company’s shares for the purpose of cross-shareholding) indicate their intention to sell its shares, the Company does not hinder the sale of the cross-held shares by, for instance, implying a possible reduction of business transactions.
- The Company does not engage in transactions with cross-shareholders which may harm the interests of the Company or the common interests of its shareholders.

(5) **So-called Anti-takeover Measures** [1.5, 1.5.1]

- The Company has not and will not introduce any so-called anti-takeover measures.
- In case that the shares of the Company are placed in a tender offer, the Company clearly explains its view as the Board of Directors to shareholders. Also, the Company does not take measures that unreasonably frustrate shareholder rights to sell its shares in response to the tender offer.

(6) **Basic Capital Policy and Shareholder Return** [1.3, 1.6, 5.2]

- In formulating and announcing business strategies and plans, the Company accurately grasps the Company's capital costs, establishes the basic capital policy, and discloses financial targets including medium-term targets for shareholder returns.
- If the Company implements a capital policy that results in a change of control or in significant dilution, the Board of Directors carefully examine the necessity and rationale of such policy,

ensures appropriate process in accordance with relevant laws and regulations, and provide sufficient explanations to shareholders.

(7) **Related Party Transactions** [1.7]

- Conflict-of-interest transactions between the Company and the Directors will be approved by the Board of Directors in accordance with the Japan's Companies Act and the Directors' Regulations, showing the details of the transactions and material facts such as the amount (maximum amount). In addition, in the event of a conflict-of-interest transaction, the results of the transaction will be reported to the Board of Directors.
- Transactions with major shareholders will be reported to the Board of Directors as necessary and monitored by Directors and Audit & Supervisory Board Members so as not to harm the common interests of shareholders.

2. Relationship with Stakeholders Other Than Shareholders [Basic Principle 2]

(1) **Charter of Conduct and Standards of Conduct** [2.2, 2.2.1]

- The Company has established the Kubota Group Charter for Action and Code of Conduct, which is a guideline applied throughout the group and the Company discloses them on its website.
- The Board of Directors periodically reviews the items listed in the Kubota Group Charter for Action and Code of Conduct through reports such as the penetration survey of Kubota Global Identity including such charter or code and deliberation on ESG evaluation of executive compensation.

(2) **Ensuring Internal Diversity** [2.4, 2.4.1]

The Company discloses its views and measurable targets for ensuring diversity, including the promotion of women's participation, in the Kubota Group Integrated Report, the Kubota Group ESG Report, and the Corporate Governance Report.

(3) **Internal Reporting System** [2.5, 2.5.1]

- The Company operates the Kubota Hotline (whistleblowing system) as a framework to support risk management. This system aims to prevent, or quickly detect and correct, any illegal or unethical acts as well as to develop an open corporate culture.
- The Board of Directors monitors the operation status of the whistleblowing system by receiving reports on the number and trends of whistleblowing to the Kubota Hotline.
- The Kubota Hotline has established an outside lawyer's office in addition to the internal contact points.
- The Company's Whistleblowing System Operation Rules stipulates the prohibition of disadvantageous treatment of whistleblowers on the grounds of reporting and the confidentiality of informants.

(4) **Roles of Corporate Pension Funds as Asset Owners** [2.6]

- To ensure pension payments to its employees, the Company manages plan assets through Kubota Corporate Pension Fund from the medium- to long-term perspective. Decisions on asset management are made at the Executive Board of Kubota Corporate Pension Fund in consideration of deliberations and reports by the Asset Management Committee.
- Personnel such as department heads of the accounting department and the human resources department, of the Company, who have appropriate qualifications, and executive members of the labor union, as a representative of beneficiaries, have been assigned to the Asset Management Committee and the Executive Board of Kubota Corporate Pension Fund. In

addition, specialist capabilities and insight are supplemented through the use of external advisors. The Asset Management Committee monitors the entrusted asset management quarterly from the perspectives of investment products, their performance and others.

3. Others [Basic principle 3, 3.1.1, 3.1.2]

(1) **Information Disclosure**

- When disclosing information such as the Kubota Group Integrated Report, the Kubota Group ESG Report, the Annual Securities Report, the Earnings Release, and the Convocation Notice for the General Meeting of Shareholders, the Company endeavors to ensure that the disclosure information has high added value and is easy to understand for stakeholders.
- Considering the convenience of overseas investors, etc., the Company translates the disclosure information, such as the Kubota Group Integrated Report, the Kubota Group ESG Report, the Annual Securities Report, the Earnings Release, and the Convocation Notice for the General Meeting of Shareholders, into English and disclose them on the Company's website.

Attachment 1

Independence Criteria for Outside Directors/Audit & Supervisory Board Members

Kubota Corporation has established the Independence Criteria for Outside Directors/Audit & Supervisory Board Members, considering laws and regulations, and provisions of the Tokyo Stock Exchange, among other regulations, to ensure transparency and objectivity in the governance of Kubota Corporation and its subsidiaries (hereinafter, the "Group"). Kubota Corporation shall deem that an Outside Director/Audit & Supervisory Board Member does not satisfy independence from Kubota Corporation if any of the following items applies to that person.

1. A person who is an executive* of the Group, or who was such an executive within the 10-year period prior to the appointment as Outside Director/Audit & Supervisory Board Member.

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

2. A person who is an Audit & Supervisory Board Member of the Group (excluding Outside Audit & Supervisory Board Member) or who was such an Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member) within the 10-year period prior to his/her appointment.

3. A Major Business Partner of the Group*, or its executive.

   * The term "Major Business Partner of the Group" herein refers to a business partner such as a major purchaser of the Group's goods and services in any of the last three fiscal years, whose annual amount of trade with the Group exceeds 2% of the consolidated revenue of the Group for the relevant fiscal year.

4. An Entity whose Major Business Partner is the Group*, or its executive.

   * The term "Entity whose Major Business Partner is the Group" herein refers to an entity for which the Group is a business partner such as a major purchaser of its goods and services (e.g. a supplier to the Group) in any of the last three fiscal years, whose annual amount of trade with the Group exceeds 2% of the consolidated revenue of the said entity for the relevant fiscal year.

5. A Major Lender to the Group*, or its executive.

   * The term "Major Lender" herein refers to a financial institution from which the Group has obtained loans in any of the last three fiscal years, whose outstanding amount of the loans to the Group exceeds 2% of the consolidated total assets of the Group for the relevant fiscal year.

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 Group in the recent three fiscal years (or, in the case where the receiver of such benefits is an organization such as a corporation or partnership, a person affiliated with such an organization).

7. A Major Shareholder of Kubota Corporation*, or if the Major Shareholder is a corporation, an executive of such a corporation.

   * The term “Major Shareholder of Kubota Corporation” herein refers to a shareholder who holds more than 10% of Kubota Corporation’s shares on a voting-right basis at the end of the relevant fiscal year, either in its own name or in the name of another person

8. A director, audit & supervisory board member, accounting advisor, executive officer (shikkoyaku) or senior executive officer (shikkoyakuin) of a corporation that has a reciprocal relationship with the Group in the appointment of outside directors/audit & supervisory board members.

9. Those who have received donations of property benefits exceeding 10 million yen per year from the Group in any of the last three fiscal years (or, in the case where the recipient of such donation is 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 those listed in 1 to 9 above (limited to Person in Important Position*).

    * The term “Person in Important Position” herein refers to a director, executive officer (shikkoyaku), senior executive officer (shikkoyakuin) or any person holding a position equivalent thereto.