

March 17, 2023

FOR IMMEDIATE RELEASE

Kubota Corporation

Notice Regarding Use of Company Funds for Private Purposes by a Former Employee of a Subsidiary

It has come to the attention of Kubota Corporation (the "Company") that a former employee of its subsidiary, FUMOTO SANGYO Co., Ltd. (Head Office: Naniwa-ku, Osaka; to be liquidated with its business having been terminated at the end of March 2022; hereinafter, the "Subsidiary"), had used company funds for private purposes. As an internal investigation has ascertained all the facts, the Company has filed a criminal complaint and is cooperating with the authorities in the probe. Described below are the facts known at this time, as well as the responses and recurrence prevention measures taken by the Company.

The Company wishes to offer its heartfelt apologies for the inconvenience and concern that this has caused our shareholders and other stakeholders.

The Company takes such misconduct with utmost seriousness and will take thorough measures to prevent recurrence and reinforce compliance throughout the Kubota Group.

1. Brief overview of the misconduct

A question was raised about past account activities of checks in the process of liquidating the Subsidiary.

A subsequent internal investigation found that an accountant formerly working for the Subsidiary allegedly used a total of approximately 800 million yen for private purposes from 2016 at the latest to 2022 by, for example, cashing checks and manipulating the accounting system to conceal evidence of disbursement.

2. The Company's responses

- Immediately after the case was revealed, an internal investigation team was formed to open an inquiry with support from attorneys and an accounting firm while consulting with the investigative authorities.
- As the internal investigation confirmed the misuse and the former employee acknowledged the fact, the Company conferred with the attorneys and dismissed the former employee on disciplinary grounds* on January 31 after going through company procedures.
 - * Disciplinary dismissal from another Kubota Group company to which the former employee was transferred after the discontinuation of FUMOTO SANGYO's business
- Following this case, other Kubota Group companies were investigated to see if there were similar instances of misconduct, but none were found.

3. Internal action

The Company will take the following actions to make clear who should take supervisory responsibility for this misconduct.

(1) The Company

Positions	Descriptions
Chairman of the Board	Voluntarily return 30% of their monthly remuneration for three months
President and Representative Director	
Representative Director and Executive Vice President (GM of Planning and Control Headquarters)	
Three full-time Directors other than the above	Voluntarily return 10% of their monthly Directors Allowance for three months
Senior Managing Executive Officer (GM of Corporate Compliance and Risk Management Headquarters)	Voluntarily return 20% of their monthly remuneration for three months
Senior Executive Officer (Deputy GM of Planning and Control Headquarters)	
Executive Officer (GM of Corporate Planning and Control Department)	

(2) The Subsidiary

President and Representative Director (on secondment from the Company)	Subject to strict action in accordance with the Company's internal rules and regulations
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4. Causes and recurrence prevention

- The case occurred presumably because the former employee was able to issue checks and perform accounting procedures all alone for an extended period of time, aided by a lapse in the control system to prevent such wrongdoings from occurring.
- For recurrence prevention, the internal control system shall be reinforced for the entire Kubota Group by ensuring that more than one person processes disbursements, including the issuance of checks, and journal entries to record transactions without fail and continuously verifying the effectiveness of control via auditing and other methods.

5. Impact on financial results

The impact of this case on the Company's consolidated financial results is immaterial. In the event that any matter that should be disclosed arises, such shall be disclosed without delay.

(Reference)

About FUMOTO SANGYO Co., Ltd. (current as of March 31, 2022, when they discontinued business)

Name	FUMOTO SANGYO Co., Ltd.
Location	Naniwa-ku, Osaka City
Main business	Sales and provision of construction work on general industrial machinery, housing materials, environment materials, and plastic pipes
Number of employees	7 (current as of April 1, 2022)
Net sales	JPY188 million (year ended December 31, 2022)

About Kubota

Kubota has been a leading manufacturer of agricultural, turf and construction equipment and Industrial Engines since 1890. With world Headquarters in Osaka Japan, and offices in more than 120 countries, and with over 41,000 employees throughout North America, Europe and Asia, Kubota achieved revenues in 2020 of \$17.3 billion. Although agricultural equipment is Kubota's primary line of products, Kubota also produces a diverse portfolio of other products including city wide water filtration systems, irrigation, piping, roofing, housing and large underground valves.