In order to speed up its response to management conditions and improve transparency in its management, Kubota has been committed to enhancing its corporate governance structure.

Corporate Governance Structure (as of March 19, 2020)
**Internal Control System**

The internal control system of the Kubota Group is a mechanism for clearly providing the rules that should be followed during the performance of business, and for checking whether or not business has been managed according to those rules.

This system consists of the segments of “business management,” which entails the performance of business operations based on rules, and “risk management,” which entails the management of major risks in management.

### Internal Control System Overview

#### Business rules
- Basic matters related to business management

#### Risk management rules
- Actions that departments in charge should take in response to major management risks

#### Business management
- Daily business management based on business rules
  - Management
  - Risk to reliability of financial reporting
  - Risk to basic corporate functions
  - Risk to compliance

#### Risk management
- Implementation of risk management based on risk management rules
  - Audit plans, results, countermeasures and management policy

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**Risk management items**

- Internal control over reliability of financial reporting
- Internal control over the basic functions of the company
  - Fair trade
  - Environmental conservation
  - Health and safety
  - Quality assurance
  - Labor management
  - Information security
  - Intellectual property
- Compliance with the Construction Business Law
  - Human rights advancement
  - Safe driving management
  - Prevention of illegal payments
  - Confidential information management

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### Whistleblowing System (Kubota Hotline)

As a framework to support 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.

#### Kubota Hotline Flowchart

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**Types of contact points and matters handled**

- CSR Planning Department (issues other than human rights), Human Rights Advancement Department (issues of human rights), consultation by outside lawyers

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

- January to December 2018: 71 cases; January to December 2019: 59 cases

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* Each overseas site handles reporting individually and notifies the head office of any significant issues.

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

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* Outside Audit & Supervisory Board Member Mr. Masato Hinenoya attended 3 of the 4 Audit & Supervisory Board Meetings between his appointment on March 22, 2019 and his resignation on May 31, 2019.