

Corporate Governance Initiatives

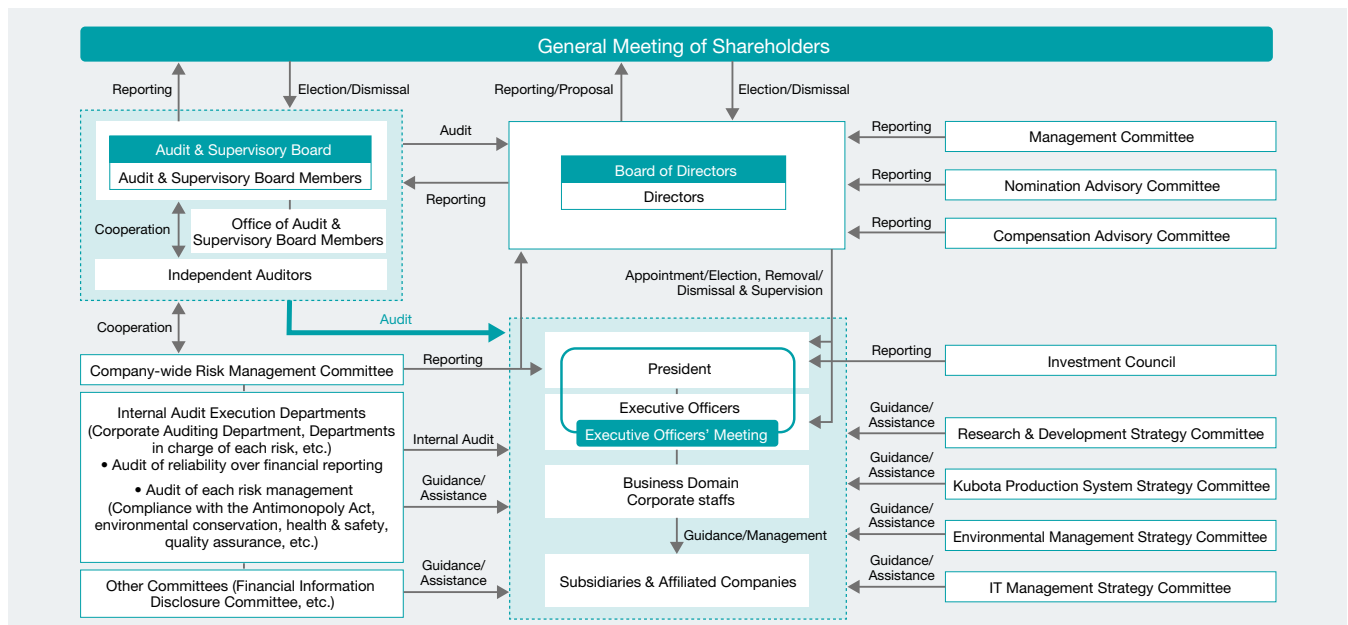
GOVERNANCE

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.



1. Masatoshi Kimata
Chairman and Representative Director
2. Yuichi Kitao
President and Representative Director
3. Koichi Ina
Outside Director
4. Yutaro Shintaku
Outside Director
5. Dai Watanabe
Director and Senior Managing Executive Officer
6. Yuzuru Matsuda
Outside Director
7. Shinji Sasaki
Director and Senior Managing Executive Officer
8. Masato Yoshikawa
Director and Executive Vice President
9. Toshihiko Kurosawa
Director and Senior Managing Executive Officer
10. Masaki Fujiwara
Outside Audit & Supervisory Board Member
11. Toshikazu Fukuyama
Audit & Supervisory Board Member
12. Kumi Arakane
Outside Audit & Supervisory Board Member
13. Yasuhiko Hiyama
Audit & Supervisory Board Member
14. Yuichi Yamada
Outside Audit & Supervisory Board Member

Corporate Governance Structure (as of March 19, 2020)



| | Board of Directors | Audit & Supervisory Board | Executive Officers' Meeting |
|--------------------------|---|---|--|
| Objective | To make strategic decisions and oversee the execution of duties by the Executive Officers | To oversee and audit the execution of duties by the Directors | To check the status of execution of duties by the Executive Officers and make prompt and proper management decisions |
| Members | 9 Directors (including 3 Outside Directors) • Attendance rate of the Outside Directors (Mar. 2019–Feb. 2020) Yuzuru Matsuda (100%), Koichi Ina (100%), Yutaro Shintaku (100%) | 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members) • Attendance rate of the Outside Audit & Supervisory Board Members (Mar. 2019–Feb. 2020) Masaki Fujiwara (100%), Kumi Arakane (100%), Masato Hinenoya (75%) | President and Representative Director and Executive Officers (36 members) |
| Meeting frequency | One regular meeting each month (and more as necessary) | One regular meeting each month (and more as necessary) | One regular meeting each month (and more as necessary) |
| Contents | Discuss and make decisions on important management issues (matters relating to management planning, financial planning, investment, business restructuring, etc.) | Discuss and make decisions with regard to auditing policy, audit reports, etc. | The President instructs the Executive officers on policies and decisions made by the Board of Directors. The Executive officers report to the President regarding the status of their execution of duties. |

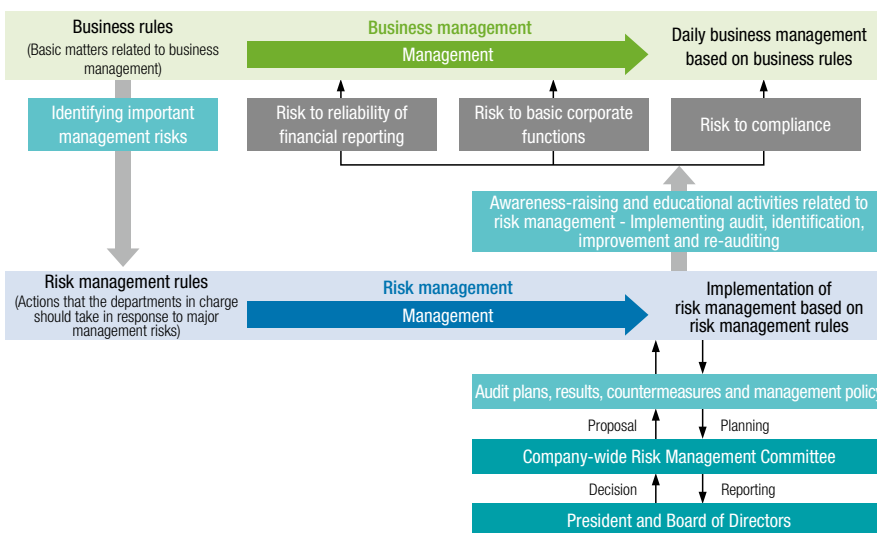
* Outside Audit & Supervisory Board Member Mr. Masato Hinenoya attended 3 of the 4 Audit & Supervisory Board Meetings between his appointment on March 22, 2019 and his resignation on May 31, 2019.

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



Risk management items

- Internal control over reliability of financial reporting
 - 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
 - Internal control over compliance
 - Compliance with rules and regulations related to equipment
 - Earthquake and other disaster response management
- Compliance with the Construction Business Law
 - Human rights advancement
 - Safe driving management
 - Prevention of illegal payments
 - Confidential information management
 - Protection of personal information
 - Import and export control
 - Compliance with laws and regulations related to logistics

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.

| | |
|--|---|
| 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 |
| Available to | Full-time, part-time and temporary employees of Kubota and its group companies in Japan |
| Number of cases reported | January to December 2018: 71 cases; January to December 2019: 59 cases |

* 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.)

Kubota Hotline Flowchart

