Corporate Governance

In order to speed up its response to management conditions and achieve enhanced transparency in its management, Kubota has committed to enhancing its corporate governance structure. Moreover, by building an internal control system and implementing steady improvements continuously during its business activities, Kubota not only enforces the observance of laws and regulations, but also reduces risks.

Corporate Governance Structure

Ensuring Quick Response to Management Conditions and Improving Management Transparency

In order to speed up its response to management conditions and achieve enhanced transparency in its management, Kubota has adopted the following corporate governance structure.

Board of Directors

The Board of Directors makes strategic decisions and oversees the execution of duties by the Executive Officers. In addition to its regular monthly board meetings, it also meets as and when required to discuss and make decisions relating to management planning, financial planning, investment, business restructuring, and other important management issues.

Moreover, the Board of Directors holds a meeting once a year to report the results of risk management activities. This is done in order to verify that there are no inadequacies in the internal control system that could have a serious impact on corporate management with regards to the organization and operation of the management system for key risks identified by the Company.

Audit & Supervisory Board

Kubota has the Audit & Supervisory Board independently, which oversees and audits whether directors are executing their duties properly. In addition to its regular monthly Audit & Supervisory Board Meetings, it also meets as and when required to discuss and make decisions with regard to auditing policy, audit reports, and other matters.

Executive Officers’ Meeting

Kubota has adopted the Executive Officer System in order to strengthen business execution by each department and make prompt and appropriate business decisions. In addition to its regular monthly meetings, it also meets as and when required. Executive Officers are instructed on and notified of policies and decisions made by the Board of Directors. The Executive Officers report the status of their execution of duties.
Management Committee and Investment Council

Kubota has a Management Committee and Investment Council in place in order to discuss and make decisions in regard to specific and important issues. The Management Committee meets to deliberate on important management matters, such as investments, loans, and mid-term management plans, before they are discussed by the Board of Directors. The Investment Council gives the President advice on matters to be decided by the President, except those deliberated by the Management Committee, as well as special matters.

Nomination Advisory Committee and Compensation Advisory Committee

Kubota has a Nomination Advisory Committee and Compensation Advisory Committee in place, in which more than half of the members are Outside Directors, to give advice to the Board of Directors. The Nomination Advisory Committee and Compensation Advisory Committee meet to deliberate on nominations of candidates for Directors, and the compensation system and compensation level of the Directors with appropriate involvement and advice from the Outside Directors.

The Nomination Advisory Committee met once during the fiscal year for the purpose of discussing the nomination of candidates for Directors, and the nomination of Advisors. Meanwhile, the Compensation Advisory Committee met three times during the fiscal year for the purpose of discussing both the consistency of levels of compensation paid to the Directors, Executive Officers, and Advisors, and the adequacy of the stock compensation plan. (Including one resolution in writing.)

Policy for Appointing Outside Directors and Outside Audit & Supervisory Board Members

In selecting candidates for the positions of the Outside Directors and the Outside Audit & Supervisory Board Members, Kubota considers experience outside Kubota, professional insight, and other qualifications, and makes a recommendations for their suitability at the General Meeting of Shareholders after approval by the Board of Directors.

Kubota established policies related to criteria for independence when electing the Outside Directors by reference to the rules for Independent Executives defined by the TSE. Kubota elects those who have no conflict of interest with ordinary shareholders accordingly.

Reasons for Appointing Outside Directors (Independent Executives)

Kubota elected Yuzuru Matsuda as an Outside Director since Kubota wishes to receive his advice about general management based on his adequate experience and considerable insight in management which he acquired through his duties as the long-time president of a listed company. Kubota has no business relationship with Kato Memorial Bioscience Foundation, BANDAI NAMCO Holdings, Inc., and JSR Corporation, for which Mr. Matsuda currently plays an important role. Kubota places him as an Independent Executive since there is no particular vested interest between Kubota and him, and there appears to be no conflict of interest with ordinary shareholders.

Kubota elected Koichi Ina as an Outside Director since Kubota wishes to receive his advice about general management based on his adequate experience and considerable insight into management which he acquired through his duties as a president, chairman, and plant and manufacturing manager in the motor vehicle industry. Kubota has a business relationship with Daihatsu Motor Co., Ltd., at which Mr. Ina started his career, but the amount arising from the above transactions for the year ended December 31, 2019 was less than 2% of total consolidated revenues of the Company. Kubota has no business relationship with Sansha Electric Manufacturing Co., Ltd., for which Mr. Ina currently plays an important role. Kubota places him as an Independent Executive since there is no particular vested interest between Kubota and him, and there appears to be no conflict of interest with ordinary shareholders.

Kubota elected Yutaro Shintaku as an Outside Director since Kubota wishes to receive his advice about general management based on his accomplishments in actively promoting strategy and experience which he acquired through his duties as a member of the senior management of a medical device manufacturer. Kubota has no business relationship with Terumo Corporation, at which Mr. Shintaku stated his career, and Santen Pharmaceutical Co., Ltd., J-Oil Mills, Inc., Tonen International Scholarship Foundation, and Hitotsubashi University Business School, for which Mr. Shintaku currently plays an important role. Kubota has a business relationship with KOZO KEIKAKU ENGINEERING Inc., for which Mr. Shintaku concurrently plays an important role, but the amount arising from the above transactions for the year ended December 31, 2019 was less than 2% of total consolidated revenues of the Company. Kubota places him as an Independent Executive since there is no particular vested interest between Kubota and him, and there appears to be no conflict of interest with ordinary shareholders.

Kubota elected Kumi Arakane as an Outside Director since Kubota wishes to receive his advice about general management based on his extensive experience in corporate auditing while serving at a major audit firm, and possesses extensive expertise on auditing in general, such as through working as outside audit & supervisory board member for other companies. Kubota has no business relationship with Japan Finance Corporation, Yuichi Yamada Certified Public Accountant Firm, and Sumitomo Metal Mining Co., Ltd., for which Mr. Yamada concurrently plays an important role. Kubota places him as an Independent Executive since there is no particular vested interest between Kubota and him, and there appears to be no conflict of interest with ordinary shareholders.

Reasons for Appointing Outside Audit & Supervisory Board Members (Independent Executives)

Kubota elected Koichi Ina as an Outside Audit & Supervisory Board Member since Kubota wishes to receive his advice about general management based on his accomplishments in actively promoting strategy and experience which he acquired through his duties as a member of the senior management of a medical device manufacturer. Kubota has no business relationship with Terumo Corporation, at which Mr. Shintaku stated his career, and Santen Pharmaceutical Co., Ltd., J-Oil Mills, Inc., Tonen International Scholarship Foundation, and Hitotsubashi University Business School, for which Mr. Shintaku currently plays an important role. Kubota has a business relationship with KOZO KEIKAKU ENGINEERING Inc., for which Mr. Shintaku concurrently plays an important role, but the amount arising from the above transactions for the year ended December 31, 2019 was less than 2% of total consolidated revenues of the Company. Kubota places him as an Independent Executive since there is no particular vested interest between Kubota and him, and there appears to be no conflict of interest with ordinary shareholders.

Kubota elected Yutaro Shintaku as an Outside Audit & Supervisory Board Member since Kubota wishes to receive his advice about general management based on his accomplishments in actively promoting strategy and experience which he acquired through his duties as a member of the senior management of a medical device manufacturer. Kubota has no business relationship with Terumo Corporation, at which Mr. Shintaku stated his career, and Santen Pharmaceutical Co., Ltd., J-Oil Mills, Inc., Tonen International Scholarship Foundation, and Hitotsubashi University Business School, for which Mr. Shintaku currently plays an important role. Kubota has a business relationship with KOZO KEIKAKU ENGINEERING Inc., for which Mr. Shintaku concurrently plays an important role, but the amount arising from the above transactions for the year ended December 31, 2019 was less than 2% of total consolidated revenues of the Company. Kubota places him as an Independent Executive since there is no particular vested interest between Kubota and him, and there appears to be no conflict of interest with ordinary shareholders.

Kubota elected Kumi Arakane as an Outside Audit & Supervisory Board Member since Kubota wishes to receive his advice about general management based on his accomplishments in actively promoting strategy and experience which he acquired through his duties as a member of the senior management of a medical device manufacturer. Kubota has no business relationship with Terumo Corporation, at which Mr. Shintaku stated his career, and Santen Pharmaceutical Co., Ltd., J-Oil Mills, Inc., Tonen International Scholarship Foundation, and Hitotsubashi University Business School, for which Mr. Shintaku currently plays an important role. Kubota has a business relationship with KOZO KEIKAKU ENGINEERING Inc., for which Mr. Shintaku concurrently plays an important role, but the amount arising from the above transactions for the year ended December 31, 2019 was less than 2% of total consolidated revenues of the Company. Kubota places him as an Independent Executive since there is no particular vested interest between Kubota and him, and there appears to be no conflict of interest with ordinary shareholders.

Kubota elected Koichi Ina as an Outside Audit & Supervisory Board Member since Kubota wishes to receive his advice about general management based on his accomplishments in actively promoting strategy and experience which he acquired through his duties as a member of the senior management of a medical device manufacturer. Kubota has no business relationship with Terumo Corporation, at which Mr. Shintaku stated his career, and Santen Pharmaceutical Co., Ltd., J-Oil Mills, Inc., Tonen International Scholarship Foundation, and Hitotsubashi University Business School, for which Mr. Shintaku currently plays an important role. Kubota has a business relationship with KOZO KEIKAKU ENGINEERING Inc., for which Mr. Shintaku concurrently plays an important role, but the amount arising from the above transactions for the year ended December 31, 2019 was less than 2% of total consolidated revenues of the Company. Kubota places him as an Independent Executive since there is no particular vested interest between Kubota and him, and there appears to be no conflict of interest with ordinary shareholders.

Kubota elected Yutaro Shintaku as an Outside Audit & Supervisory Board Member since Kubota wishes to receive his advice about general management based on his accomplishments in actively promoting strategy and experience which he acquired through his duties as a member of the senior management of a medical device manufacturer. Kubota has no business relationship with Terumo Corporation, at which Mr. Shintaku stated his career, and Santen Pharmaceutical Co., Ltd., J-Oil Mills, Inc., Tonen International Scholarship Foundation, and Hitotsubashi University Business School, for which Mr. Shintaku currently plays an important role. Kubota has a business relationship with KOZO KEIKAKU ENGINEERING Inc., for which Mr. Shintaku concurrently plays an important role, but the amount arising from the above transactions for the year ended December 31, 2019 was less than 2% of total consolidated revenues of the Company. Kubota places him as an Independent Executive since there is no particular vested interest between Kubota and him, and there appears to be no conflict of interest with ordinary shareholders.

Kubota elected Kumi Arakane as an Outside Audit & Supervisory Board Member since Kubota wishes to receive his advice about general management based on his accomplishments in actively promoting strategy and experience which he acquired through his duties as a member of the senior management of a medical device manufacturer. Kubota has no business relationship with Terumo Corporation, at which Mr. Shintaku stated his career, and Santen Pharmaceutical Co., Ltd., J-Oil Mills, Inc., Tonen International Scholarship Foundation, and Hitotsubashi University Business School, for which Mr. Shintaku currently plays an important role. Kubota has a business relationship with KOZO KEIKAKU ENGINEERING Inc., for which Mr. Shintaku concurrently plays an important role, but the amount arising from the above transactions for the year ended December 31, 2019 was less than 2% of total consolidated revenues of the Company. Kubota places him as an Independent Executive since there is no particular vested interest between Kubota and him, and there appears to be no conflict of interest with ordinary shareholders.
**Attendance Rate of Outside Executives (Mar. 2019–Feb. 2020)**

| Attendance rate of Outside Directors at Board of Directors’ meetings | Yuzuru Matsuda 100% | Koichi Ina 100% | Yutaro Shintaku 100% |
| Attendance rate of Outside Audit & Supervisory Board Members at Audit & Supervisory Board meetings | Masaki Fujisawa 100% | Kumi Arakane 100% | Masato Hinenoya 75% |

* Mr. Masato Hinenoya attended 3 of 4 Audit & Supervisory Board Meetings held after his appointment in March 2019 until his resignation effective May 31, 2019.

**System Supporting Audit & Supervisory Board Members**

Kubota established the Office of Audit & Supervisory Board Members and has assigned five employees to exclusively support the Audit & Supervisory Board Members in performing their duties. Those employees’ independence is ensured as the employees’ appointment and evaluation require a discussion with and consent from the Audit & Supervisory Board Members.

As of March 19, 2020, Kubota places four members in the Office of Audit & Supervisory Board Members, to engage in audits exclusively for subsidiaries in order to provide support for Kubota’s Audit & Supervisory Board Members and improve internal control over the Kubota Group. Also, Kubota put in place a system where in any expenses incurred related to execution of duties by the Audit & Supervisory Board Members are to be disbursed with no delay.

Internal audit departments and the Independent Auditors of Kubota report audit plans and the results of audits to the Audit & Supervisory Board Members periodically, and as needed collaborate with each other.

**Compensation of Directors and Senior Managements**

1) Policy for Determination of Remuneration, etc. and Calculation Method for Directors and Executive Officers

Kubota Corporation’s remuneration plan for the Directors and Senior Managements is designed and put in place in order to sustain corporate growth in the areas of food, water, and the environment and share corporate value with shareholders.

The remuneration for the Directors (excluding Outside Directors) consists of basic remuneration, which is set by each position, variable remuneration (bonuses for Directors) which acts as a short-term incentive linked to performance in a single fiscal year, and restricted stock compensation which is regarded as a medium- to long-term incentive. The remuneration for the Outside Directors and Audit & Supervisory Board Members consists of basic remuneration only because of the roles they play and the need to preserve their independence.

The maximum aggregate amount of cash remuneration for the Directors was set at ¥510 million or less per year (¥60 million or less per year for the Outside Directors) at the 128th General Meeting of Shareholders held on March 23, 2018. The maximum aggregate amount of stock remuneration for the Directors was set at ¥300 million or less per year and the total number of common shares of Kubota Corporation to be issued or disposed of was set at 400,000 shares or less per year at the 127th General Meeting of Shareholders held on March 24, 2017.

The maximum aggregate amount of remuneration for Audit & Supervisory Board Members was set at ¥144 million or less per year at the 119th General Meeting of Shareholders held on June 19, 2009.

Kubota Corporation’s remuneration plan for the Directors and Senior Managements is deliberated by the Compensation Advisory Committee and then determined by the Board of Directors in order to increase objectivity and transparency. The Compensation Advisory Committee consists of five members: three Outside Directors, the Director in charge of secretarial affairs, and the Director in charge of financial affairs, and one observer: the Outside Audit & Supervisory Board Member, as a finance expert. The Compensation Advisory Committee deliberates on the following issues:

- a) matters related to remuneration for the Directors and the Executive Officers;
- b) matters related to bonuses for the Directors and the Executive Officers;
- c) matters related to remuneration for the Special Corporate Advisor and Advisors; and
- d) other matters delegated by the Board of Directors.

The Compensation Advisory Committee met three times during the fiscal year (one of which was a written resolution) to discuss both the consistency of compensation levels paid to the Directors, Executive Officers, and Advisors, as well as the appropriateness of the stock compensation plan. The appropriateness of compensation levels is verified by the Compensation Advisory Committee, based mainly on a management compensation database for major domestic companies provided by external specialist organizations.

2) Performance-linked compensation for a single fiscal year

Kubota Corporation does not fix the ratio of performance-linked remuneration, and it is designed so that the ratio of performance-linked remuneration to total remuneration for the Directors increases as profit for the year increases. In the fiscal year 2019, the ratio of non-performance-linked remuneration (basic compensation and stock compensation) to performance-linked remuneration was roughly 6: 4, with the higher the position, the higher the ratio of performance-linked remuneration.

Performance-linked remuneration shows the degree of performance achievement and is decided by determining the amount of bonus for each position conjunction with profit attributable to the owner of the parent which is an index used to return profits to shareholders, taking into consideration the degree of performance achievement in organizations of which the individual is in charge.

3) Restricted Stock Compensation

Kubota Corporation has adopted the restricted stock compensation plan as an incentive for the Directors (excluding the Outside Directors) to continuously increase corporate value and to further share its value with shareholders. Stock compensation generally accounts for approximately 15% of total compensation.

4) Compensation of Audit & Supervisory Board Members

The remuneration for the Audit & Supervisory Board Members is determined after consultation among the Audit & Supervisory Board Members within the range of the maximum aggregate amount of remuneration approved at the General Meeting of Shareholders in consideration of the roles of the respective Audit & Supervisory Board Members.
## Director and Auditor Remuneration (Jan.–Dec. 2019)

<table>
<thead>
<tr>
<th>Position</th>
<th>Number of persons</th>
<th>Total amount of compensation (millions of yen)</th>
<th>Remunerations</th>
<th>Bonuses</th>
<th>Restricted stock compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors (excluding Outside Directors)</td>
<td>9</td>
<td>662</td>
<td>372</td>
<td>201</td>
<td>88</td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board Members (excluding Outside Audit &amp; Supervisory Board Members)</td>
<td>2</td>
<td>71</td>
<td>71</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Outside Directors and Outside Audit &amp; Supervisory Board Members</td>
<td>8</td>
<td>81</td>
<td>81</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

## Training for Executives

Every year, the Company holds executive forums given by visiting lecturers for all of its Directors, Audit & Supervisory Board Members, and Executive Officers to provide opportunities to acquire and update knowledge necessary for supervising operations.

### Results of forums for fiscal 2019

Forums were held on four occasions on the themes of environmental quality, crisis management, human rights, and ICT.

The Company conducts training hosted by external organizations for all newly appointed Executive Officers, featuring content pertaining to laws and regulations, and corporate governance. Moreover, for Outside Directors, the Company conducts inspections and engages in discussions with on-site executives at the regional offices, and subsidiaries and affiliated companies in Japan and overseas, so that those in attendance can gain a deeper understanding of the Group’s business activities and make appropriate management decisions.

### Themes of the Forums for FY2019 and the Attendance of Executives

<table>
<thead>
<tr>
<th>Date</th>
<th>Title of forum</th>
<th>Theme</th>
<th>No. of attending executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 26, 2019</td>
<td>CSR Forum</td>
<td>A Manufacturing Strategy in the Age of Digitalization—balancing strong plant operations with a strong head office based on good design processes</td>
<td>33</td>
</tr>
<tr>
<td>October 2, 2019</td>
<td>Safety, Environment and Quality Forum</td>
<td>Risk Management that the Management Team Should Keep in Check—Risk management for proactive management</td>
<td>30</td>
</tr>
<tr>
<td>October 3, 2019</td>
<td>Human Rights Training</td>
<td>Human Rights in the Workplace—Creating a harassment-free work environment</td>
<td>29</td>
</tr>
<tr>
<td>December 24, 2019</td>
<td>Corporate Communications Forum</td>
<td>Importance of Corporate Communications for Crisis Management: Approaches and Strategies</td>
<td>31</td>
</tr>
</tbody>
</table>

### Results of on-site visits by Outside Directors for fiscal 2019

On-site visits in Japan: conducted twice with a total of two Outside Directors participating in exhibitions

On-site visits outside Japan: conducted five times with a total of six Outside Directors participating

Exhibitions of the Company: conducted twice with a total of five Outside Directors participating.

For Audit & Supervisory Board Members, meetings attended by the President are regularly held to share management issues, and exchanges of opinion also involving Outside Directors are regularly carried out in order to improve governance.

### Results for fiscal 2019

President’s meetings: held on four occasions with the President and all five Audit & Supervisory Board Members participating in all of them

Outside Directors’ meetings: held on three occasions with all three Outside Directors and all five Audit & Supervisory Board Members participating in all of them.
Policy for Constructive Dialogue with Shareholders

Kubota, recognizing that constructive dialogue with shareholders and investors contributes to the improvement of the Company's sustainable growth and medium- to long-term corporate value, regularly stays abreast of the shareholder composition, makes timely and appropriate disclosure of a wide range of information ranging from financial information to non-financial information and promotes constructive dialogue with shareholders and investors. The policies for development of systems and operations for this activity are as follows.

(1) Basic policy
The Company holds briefings where the President and General Manager of Planning & Control Headquarters present the basic management policy, priority measures, and results of operation, with the aim of promoting constructive dialogue with domestic and foreign institutional investors. Furthermore, the Company promotes two-way communication, such as timely disclosure to all stakeholders including individual investors through active use of the Company website and executing questionnaire surveys.

(2) IR organizational structure
General Manager of Planning & Control Headquarters is in overall charge of directing and promoting IR. The department in charge of IR plays a central role in developing its IR activities through organic coordination with each related department, such as Corporate Planning & Control Dept., Accounting Dept., Corporate Communication Dept., CSR Planning Dept., General Affairs Dept. and Legal Dept.

(3) Feedback to management
Subjects of dialogue with investors are reported back to the Board of Directors, the Executive Officers’ Meeting, and relevant departments by the President and General Manager of Planning & Control Headquarters as necessary.

(4) Dialogue with institutional investors and analysts
The Company holds individual and group meetings, product exhibitions and briefings on business operations, and results briefings with institutional investors and analysts. In addition, the Company discloses the results materials and the results briefings materials in both English and Japanese at the same time, and regularly holds tours and briefings on business operations in Japan and overseas.

(5) Dialogue with individual shareholders and investors
The Company aims to promote lively communication through such means as holding on-site factory tours for individual shareholders and inviting them to product exhibitions.
Also, in addition to holding company information sessions for individual investors to provide an opportunity for the President and individual investors to directly engage in dialogue, the Company also works on public relations to improve understanding of the Company’s business activities through such exhibitions as exhibiting in investor forums.

(6) Policy for insider information management when engaging in dialogue
Insider information, such as any undisclosed material facts, is not conveyed at the meetings with investors. The following section describes the structure and procedures regarding the timely disclosure of the Company information.

1. Financial Information Disclosure Committee
The Company has established the Financial Information Disclosure Committee so as to monitor and control financial information disclosure and, thereby, ensure its fairness, correctness, timeliness, and comprehensiveness. The committee consists of a committee chairperson, who is General Manager of Planning & Control Headquarters; committee members, who are Deputy General Manager of CSR Planning & Coordination Headquarters, General Manager of Corporate Planning & Control Dept., General Manager of General Affairs Dept., General Manager of Corporate Communication Dept., General Manager of Accounting Dept., General Manager of Global Management Promotion Dept., and General Manager of Corporate Audit Dept.; and observers, who are full-time Audit & Supervisory Board Members. The committee meets periodically in order to draft and assess the Annual Securities Reports (“Yukashoken Hokokusho”) and the Quarterly Reports (“Shihanki Hokokusho”) pursuant to the Financial Instruments and Exchange Act. And the committee also meets in response to extraordinary events such as important decisions and material facts that must be disclosed immediately.
In accordance with the intent and meaning of fair disclosure rules set out in the Financial Instruments and Exchange Act, the Company takes all reasonable care to avoid selective disclosure of information, such as by simultaneously releasing Japanese and English versions of results briefing materials with attached explanations and the minutes of question-and-answer sessions via the corporate website, and by working to enhance the timely and fair disclosure of information in order to promote proactive dialogue with investors.

2. Company regulations for information disclosure
The Company has declared that “The Kubota Group makes appropriate and timely disclosure of corporate information and fulfills its responsibilities for transparency and accountability in corporate activities” in the “Kubota Group Charter for Action” and has stipulated “Appropriate and Timely Disclosure of Corporate Information” and “Prohibition of Insider Trading” in the “Kubota Group Code of Conduct.” The Company strives to promote awareness and ensure thorough efforts in regard to the “Kubota Group Code of Conduct” and prevention of insider trading before it occurs through conducting education tailored to each management level within the Company.

Information for investors
www.kubota.com/company/ir/
Directors, Audit & Supervisory Board Members and Executive Officers (as of March 19, 2020)

**Directors**

Chairman and Representative Director
Masatoshi Kimata

President and Representative Director
Yuichi Kitao

Director and Executive Vice President
Masato Yoshikawa

Directors and Senior Managing Executive Officers
Shinji Sasaki
Toshihiko Kurosawa
Dai Watanabe

Outside Directors
Yuzuru Matsuda
Koichi Ina
Yutaro Shintaku

**Audit & Supervisory Board Members**

Audit & Supervisory Board Members
Toshikazu Fukuyama
Yasuhiro Hiyama

Outside Audit & Supervisory Board Members
Masaaki Fujisawa
Kumi Arakane
Yuichi Yamada

**Executive Officers**

Senior Managing Executive Officers
Haruyuki Yoshida
Yūji Tomiyama

Managing Executive Officers
Kunio Suwa
Kaijun Harada
Yasuhiro Nakata
Kazuhiko Kimura
Takao Shimoura
Kazunari Shimokawa
Mutsuo Uchida
Nobuyuki Ishii
Kazuo Shinabe
Ryuchi Minami
Yoshimitsu Ishibashi
Yasukazu Kamada
Katsuhiko Yukiwa
Kyōji Kudo
Eiji Yoshiko
Hiroto Kimura

Executive Officers
Muneji Okamoto
Koichiro Kan
Hiroki Araki
Tomohiro Itozuka
Kazushi Ito
Koichi Yamamoto
Mampei Yamamoto
Hitoshi Inada
Shingo Hanada
Nobushige Ichikawa
Shinichi Fukuhara
Hidetoshi Mori
Junji Ota
Takanobu Azuma

Executive Officers (as of March 19, 2020)

**Executive Skills Matrix**

<table>
<thead>
<tr>
<th>Name</th>
<th>Outside</th>
<th>Manufacturing/ R&amp;D</th>
<th>Sales/ Marketing</th>
<th>Finance</th>
<th>Legal affairs/ Risk management</th>
<th>Overseas experience</th>
<th>Nomination Advisory Committee</th>
<th>Compensation Advisory Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masatoshi Kimata</td>
<td>Chairman and Representative Director</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yuichi Kitao</td>
<td>President and Representative Director</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Masato Yoshikawa</td>
<td>Director and Executive Vice President</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shinji Sasaki</td>
<td>Director and Senior Managing Executive Officer</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toshihiko Kurosawa</td>
<td>Director and Senior Managing Executive Officer</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dai Watanabe</td>
<td>Director and Senior Managing Executive Officer</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yuzuru Matsuda</td>
<td>Director</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Koichi Ina</td>
<td>Director</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yutaro Shintaku</td>
<td>Director</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toshikazu Fukuyama</td>
<td>Audit &amp; Supervisory Board Member (full-time)</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yasuhiro Hiyama</td>
<td>Audit &amp; Supervisory Board Member (full-time)</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Masaaki Fujisawa</td>
<td>Audit &amp; Supervisory Board Member</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kumi Arakane</td>
<td>Audit &amp; Supervisory Board Member</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yuichi Yamada</td>
<td>Audit &amp; Supervisory Board Member</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Note) 1. The above Directors and Audit & Supervisory Board Members all possess expertise in corporate management (planning, human resources management, etc.).

2. The above table shows the areas in which each individual has the greatest specialist expertise based on experience and other factors. It is not intended to show the full range of their knowledge.

3. In addition to those shown in the above table, the membership of the Compensation Advisory Committee includes Managing Executive Officer Kazuhiro Kimura.

Directors and Audit & Supervisory Board Members
Internal Control

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.

In business management, basic matters necessary for operating businesses are determined in business rules, and each business division checks its daily business operations in accordance with the business rules. Business rules comprise common business rules (basic rules) and functional business rules.

In risk management, operations that each department in charge of risk management should implement are determined in the risk management rules. Based on these rules, necessary actions to be promoted for risk management are identified and the departments are audited, thereby verifying the effectiveness of the risk management.

In the internal control system, major risks in Kubota’s management are classified into the following three categories:

1. Internal control over reliability of financial reporting
2. Internal control over the basic functions of the company, such as fair trade, environmental conservation, and health and safety
3. Internal control over compliance, such as compliance with rules and regulations related to equipment, and import and export control

To avoid these risks, each department in charge implements necessary actions to be promoted and conducts audits of the relevant operational division, and reports the results and the measures for the next fiscal year to the President and the Board of Directors. Thus the PDCA cycle for risk management is implemented properly.

Internal Control System Overview

Internal Control System Operation Activities (Risk Management Activities)

Kubota positions risk management activities as part of its business activities. Based on the awareness that risk management is the foundation of business activities, Kubota identifies risks common to the entire Kubota Group, such as those relating to the reliability of financial reporting, and exerts efforts to manage risks appropriately through continuous steady improvement to “immediately correct any inadequacies.” At the same time, while accelerating the global development of its businesses, Kubota strongly recognizes that risk management activities are the foundation for the continuity of its businesses, and strives to improve such activities both in Japan and overseas.
## Number of Audits and Contents of Risk Management

<table>
<thead>
<tr>
<th>Risk management items</th>
<th>Risk to be avoided</th>
<th>Number of audited items for FY2019*1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal control over reliability of financial reporting</strong></td>
<td>Financial reporting • Risk to reliability of financial reporting</td>
<td>7,196</td>
</tr>
<tr>
<td>Fair trade</td>
<td>• Bid-rigging and price cartels • Unfair trading concerning trading with distributors, etc. • Non-compliance with the Subcontract Act</td>
<td>97</td>
</tr>
<tr>
<td>Environmental conservation</td>
<td>• Non-compliance with laws and regulations • Environmental accidents • Past environmental debt</td>
<td>11,284</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>• Occurrence of serious accidents • Occupational illnesses • Administrative disposition and litigations</td>
<td>1,304</td>
</tr>
<tr>
<td>Quality assurance</td>
<td>• Occurrence of quality problems detrimental to the Kubota brand, etc.</td>
<td>378</td>
</tr>
<tr>
<td>Labor management</td>
<td>• Breach of obligation on attention to safety of employees • Improper management of working conditions • Improper management of employees under irregular employment, and contract and temporary workers • Occurrence of overseas labor problems</td>
<td>7,298</td>
</tr>
<tr>
<td>Information security</td>
<td>• Computer virus infection • Information leakage • Information system failure</td>
<td>1,908</td>
</tr>
<tr>
<td>Intellectual property</td>
<td>• Infringement of other companies’ intellectual property</td>
<td>774</td>
</tr>
<tr>
<td><strong>Compliance with rules and regulations related to equipment</strong></td>
<td>• Non-compliance with laws and regulations of the Building Standards Act, the Fire Service Act, and the Industrial Safety and Health Act, etc. in connection with assets and facilities owned by Kubota</td>
<td>560</td>
</tr>
<tr>
<td><strong>Earthquake and other disaster response management</strong></td>
<td>• Important managerial losses including danger to human lives due to earthquakes and other disasters, damage to equipment, and destruction of the information system</td>
<td>136</td>
</tr>
<tr>
<td><strong>Compliance with the Construction Business Act</strong></td>
<td>• Non-compliance with the Construction Business Act</td>
<td>810</td>
</tr>
<tr>
<td><strong>Human rights advancement</strong></td>
<td>• Occurrence of human rights violation issues</td>
<td>—</td>
</tr>
<tr>
<td><strong>Safe driving management</strong></td>
<td>• Accidents arising from non-compliance with traffic laws and regulations and violating acts</td>
<td>178</td>
</tr>
<tr>
<td><strong>Prevention of illegal payments</strong></td>
<td>• Trading with antisocial forces • Non-compliance with the Political Funds Control Act • Making inappropriate payments to overseas public servants</td>
<td>46</td>
</tr>
<tr>
<td><strong>Classified information management</strong></td>
<td>• The outflow of classified information including plans for development and sale of new products</td>
<td>1,197</td>
</tr>
<tr>
<td><strong>Protection of personal information</strong></td>
<td>• Leakage and loss of personal information related to customers, employees, etc. • Improper use of personal information</td>
<td>208</td>
</tr>
<tr>
<td><strong>Import and export control</strong></td>
<td>• Non-compliance with laws and regulations related to importing and exporting, including the Customs Act, the Foreign Exchange and Foreign Trade Control Law, the Basel Convention, and laws related to chemical substances</td>
<td>124</td>
</tr>
<tr>
<td><strong>Compliance with laws and regulations related to logistics</strong></td>
<td>• Non-compliance with the three major road laws, including the Road Traffic Act; and with the laws and regulations related to distribution, including the Labor Standards Act, etc.</td>
<td>713</td>
</tr>
</tbody>
</table>

*1 Number of audited items is a sum of the number of items audited in each of the divisions subject to audit.

*2 Activities for human rights advancement focused mainly on training, the release of information, and the follow-up of survey results.
Kubota Hotline (whistleblowing system)

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: Compliance issues other than human rights (anonymous reporting acceptable)
- Human Rights Advancement Department: Issues of human rights (anonymous reporting acceptable)
- Outside lawyers: Compliance in general including human rights issues

* Human Rights Advancement Consultation Office has been established at each company and business site so that people can more easily seek consultation.
* Starting from 2017, consultation by e-mail, in addition to telephone, is acceptable for outside lawyers.

[Available to]
Full-time, part-time and temporary employees of Kubota and its Group companies in Japan
* Each overseas location handles reporting individually and notifies the Kubota head office of any significant issues.
* Starting from 2017, all whistleblowing cases in China are reported to the Kubota head office.

[Protection of informants]
The Whistleblowing System Operation Rules clearly state:
- “the informer shall not be disadvantaged as a result of reporting an issue.”
- "excluding cases necessarily requiring investigations and official reporting, the content of the reported issue, personal information obtained during investigations, and all other information shall not be used or disclosed."

[Activities to raise awareness of the system]
Various creative ways have been employed to alleviate unease about the system, which is often the result of a lack of understanding.

The Company newsletter and website provide information on:
- The number of reports received for each content category, and past cases (outline)
- The flow of processes for using the Hotline
- The objective of the system, protection of informants, handling of anonymity, etc.

[Number of cases reported (in Japan)]

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.–Dec. 2016</td>
<td>30</td>
</tr>
<tr>
<td>Jan.–Dec. 2017</td>
<td>52</td>
</tr>
<tr>
<td>Jan.–Dec. 2018</td>
<td>71</td>
</tr>
<tr>
<td>Jan.–Dec. 2019</td>
<td>59</td>
</tr>
</tbody>
</table>

* Including enquiries and matters that were found not to be problematic as a result of investigation

[Other]
Moreover, we have set up a space to write free comments in the Kubota Group Employee CSR Awareness Survey, which is answered in anonymity. It is an opportunity for employees to give their frank reports and opinions, enabling the Company to develop an open corporate culture.

Flowchart of Kubota Hotline
Securing Reliability of Financial Reporting

Kubota has established and operates an internal control system in order to confirm the reliability of financial reporting for the entire Kubota Group, including its overseas subsidiaries.

Also to confirm the effectiveness of the system, the Corporate Auditing Department and the auditing divisions of the subsidiaries conduct regular internal audits.

Kubota has also created a system for evaluating the effectiveness of internal controls on a Group consolidated basis. This assessment is based on the results of the abovementioned auditing results, and conforms to the internal control reporting system related to financial reporting stipulated by the Finance Instruments and Exchange Act (J-SOX) and other ordinances.

Compliance with the Anti-Monopoly Act/Competition Law

We realize that full implementation of compliance is key to establishing Kubota as a Global Major Brand. The Kubota Group therefore engages in the risk management activities set out below to ensure advance preventive action against any infringement of antimonopoly or competition law.

Education and Enlightenment Activities

Kubota continuously offers training programs on the Anti-Monopoly Act/Competition Law at its business divisions as well as its Group companies both in Japan and overseas, for enlightenment and awareness-raising to ensure compliance. Legal training programs, which cover a broad range of legal matters including competition laws, are also provided for employees who are to be dispatched to overseas Group companies as managers.

Auditing and Risk Management Surveys

Kubota continuously conducts audits under the Anti-Monopoly Act, including on-site inspection, targeting Kubota and its Group companies in Japan. For overseas Group companies, Kubota conducts written audits, on-site interviews, and opinion exchange meetings, through which it determines the status of risk management.

Maintaining and Expanding the Consultation System

Kubota shares information with the relevant business departments and Group companies on matters related to business activities of Kubota and its Group companies that require examination under the Anti-Monopoly Act, and implements necessary measures including facilitating advance consultation with lawyers and other external experts.

Compliance with the Act against Delay in Payment to Subcontractors

Kubota conducts written surveys targeting each of its business divisions and Group companies in Japan on a periodic basis. Kubota also offers training programs to promote understanding of the Act against Delay in Payment to Subcontractors at each business site and Group company and holds consultancy sessions concerning practical operations, such as ordering, related to the Subcontractors Act, thereby developing voluntary risk management systems.
Information Management

Kubota is aware that the appropriate protection and management of personal information of its customers and other stakeholders is an important social responsibility. In order to secure its competitiveness, Kubota is also devoted to preventing the leakage of confidential information such as technological information.

Depending on the type of information, Kubota appoints main divisions to conduct ongoing activities such as revising rules, auditing and awareness-raising at their respective locations. These activities are also conducted at overseas bases. When necessary, these divisions cooperate with each other in risk management.

In FY2019, responding to recent trends including the increasingly inventive and sophisticated nature of exterior threats—notably e-mail scams—we strengthened countermeasures with the main aims of damage limitation and rapid detection and response.

With Kubota-CSIRT—an organization for managing information security-related incidents/accidents—at the helm, in FY2020 Kubota will further enhance its initiatives to prevent information security-related incidents/accidents, respond promptly if they occur, and minimize damage.

Information Management System

* Initiatives to ensure information security
To enhance security for personal information and other information assets of the customers, Kubota promotes on a company-wide basis the implementation of the initiatives below:
(1) Establishing the Group-wide information security policy, continuously developing various regulations and guidelines, and monitoring the status of compliance therewith.
(2) Assigning personnel in charge of promoting information security (IT Manager) at each workplace, and implementing Group-wide measures based on the policies formulated by the department in charge.
(3) Introducing to all PCs an automatic monitoring program to constantly monitor the status of various security protection measures, such as anti-virus systems. Overseas, taking into consideration each local situation and improving information security in cooperation with the IT managers of each local site.
(4) Providing IT managers and sub-managers with education and enlightenment programs on a periodic basis. For Group employees, also providing e-learning courses on personal information protection and information security, with the aim of raising understanding of the information security matters that each employee should observe.
Prevention of Illegal Payments

Among illegal payments, Kubota has placed particular focus on preventing bribery, and will work to achieve SDG 16.5: Substantially reduce corruption and bribery in all their forms.

Amid increasing international moves to anti-bribery, we marked December 9—designated by the United Nations as International Anti-Corruption Day—by broadcasting a President’s Message to all Kubota Group officers and employees. In the message, our executive leadership made a clear commitment by declaring that “the Kubota Group rejects bribery and all other inappropriate business practices.”

Meanwhile, as an initiative directed toward outside the company, a Request to Suppliers (Japanese only) was posted on the Kubota website in the name of the General Manager of CSR Planning & Coordination Headquarters. The text outlined to suppliers the Kubota Group’s approach to bribery prevention and asked for their understanding and cooperation in bribery prevention activities.

Furthermore, Kubota has established the Committee on Prevention of Illegal Payments to investigate whether preventive frameworks are in place and sufficiently functioning in accordance with the Rules on Prevention of Illegal Payments, as well as whether or not there have been any illegal payments. In FY2019, Kubota conducted document surveys at 19 departments/companies in Japan and 30 overseas base.

As an initiative to educate officers and employees on prevention of bribery, Kubota runs a continuous program of training sessions in Japan and overseas. In FY2019, training sessions were held at four departments or companies in Japan and at 26 overseas bases in Europe and China etc. At these sessions, information on bribery-related legislation and enforcement conditions in different countries is presented and case studies and other materials are used to disseminate the latest information and to promote awareness of bribery prevention. Additionally, we have put together a Kubota Group Handbook for Anti-Bribery which outlines our Anti-Bribery Policy and the main points of our Anti-Bribery Guidelines. The handbook is issued in a global version with universal content available in Japanese, English, and French, and in individual country versions that supplement the universal content with more detailed information on the points to be noted and actions to be taken in the particular country or region. These are available for China, Thailand, South Korea, Indonesia, Myanmar, the Philippines, Vietnam, and Mexico.

The policies for these risk management activities and the results of the activities are periodically reported to the President, the Board of Directors, and the Audits & Supervisory Board through the Company-wide Risk Management Committee, composed mainly of Directors, and based on their feedback, the contents of activities are occasionally revised, thereby improving the level of the activities.

The Kubota Group Anti-Bribery Policy (excerpt)

As specified in the Kubota Group Charter for Action, we commit ourselves to “conducting corporate activities based on compliance with legal regulations and ethical principles.” As such, the Kubota Group never allows any business based on unfair practices such as bribery. The Group also strictly prohibits all of its companies, officers and employees from being involved in bribery.

President, KUBOTA Corporation
Kubota Group Charter for Action & Code of Conduct

All the employees working for the Kubota Group, including those overseas, are required at the time of joining the Group to submit a written pledge that they will comply with the Kubota Group Charter for Action & Code of Conduct, and the corporate principles, the Kubota Global Identity.

Furthermore, various tools for education and awareness-raising are prepared with the aim of fostering a mindset based on compliance and the corporate principles.

* As part of its efforts to prevent recurrence of inappropriate actions regarding inspection reports, in FY2018 all employees of Kubota read out the Kubota Group Charter for Action & Code of Conduct at their respective workplaces. Workers reaffirmed the importance of compliance and points that require particular care. In FY2019, this initiative was extended to all Group companies in Japan, with group reading sessions held in every workplace.

<table>
<thead>
<tr>
<th>Period</th>
<th>No. of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov.-Dec. 2019</td>
<td>27,018</td>
</tr>
</tbody>
</table>

Employees who were absent or otherwise unavailable during the period were given a separate opportunity to participate in the initiative at the workplace.

Kubota Group Charter for Action & Code of Conduct (items)

1. Winning Customer Satisfaction
   (1) Product Safety and Superior Quality
   (2) Responding to Customer Requests and Complaints
   (3) Appropriate Advertising and Labeling
2. Conducting Corporate Activities Based on Compliance with Legal Regulations and Ethical Principles
   (1) Legal Compliance and Observance of Corporate Ethics Are Basic Conditions for Corporate Activities
   (2) Observance of Laws of Individual Countries and Regions, as well as International Rules
   (3) Early Detection and Prevention of Misconduct
   (4) Compliance with Fair Trade Laws and Regulations
   (5) Fairness and Transparency in Transactions
   (6) Compliance with Internal Rules
   (7) Prohibition of Activities Contrary to the Proper Interest of the Company
   (8) Preservation of Company Assets
   (9) Respect for and Usage of Intellectual Property
   (10) Management of Confidential Information
   (11) Security of Electronic Information
3. Respecting Human Rights
   (1) Respecting Human Rights
   (2) Prohibition of Harassment
   (3) Protection of Personal Information
4. Building up a Safe and Vibrant Work Environment
   (1) In-depth Supervision of Safety, Sanitation, and Health
   (2) Building up a Vibrant Work Environment
5. Conserving the Global and Local Environment
   (1) Environmental Conservation Efforts in All Business Activities
   (2) Global Environmental Conservation
   (3) Environmental Protection to Create a Symbiotic Relationship with Local Societies
   (4) Our Voluntary and Organized Efforts in Environmental Conservation
6. Achieving Symbiosis with International and Local Societies
   (1) Respect of Culture and Customs of All Countries and Regions
   (2) Compliance with Export and Import Laws and Regulations
   (3) Elimination of Relationships with Antisocial Elements
   (4) Proper Relationships with Political Groups and Government Organizations
   (5) Rules for Entertainment, Gifts, and Donations
   (6) Contributing to Society
   (7) Firm Commitment to Safe Driving
7. Fulfilling Responsibilities for Improving Management Transparency and Accountability
   (1) Appropriate and Timely Disclosure of Corporate Information
   (2) Proper Accounting/Taxation Treatment
   (3) Emphasis on Internal Audits
   (4) Prohibition of Insider Trading

Kubota makes adjustments to its Kubota Group Charter for Action & Code of Conduct as and when necessary in response to changes in the social environment as well as applicable laws, and partial revisions were made on January 1, 2019. Of particular note is the addition of “contractual obligations” to “We comply with all applicable legal regulations, specifications, standards, and contractual obligations with our customers and business partners” in “1. Winning Customer Satisfaction” in our Code of Conduct. We also clarified that guaranteeing safety for our customers is our utmost priority. These revisions were part of efforts to prevent recurrence of inappropriate actions regarding inspection reports, announced in FY2018.

See here for the Kubota Group Charter for Action & Code of Conduct

www.kubota.com/company/csr/policy/conduct/
Tools for Awareness-raising

Code of Conduct Guidebook
A guidebook describing the Kubota Group Charter for Action and Code of Conduct in a straightforward way using illustrations and explanations. In September 2019, the guidebook was revised and issued to all domestic Kubota Group employees. It was then used in group reading sessions held at each workplace.

Compliance Support Courier
A document that uses illustrations and Q&As to encourage employees to think about common compliance issues. Distributed monthly by e-mail.

Learning from hotline cases
This is a feature appearing in the Company newsletter, which is issued every other month. Using examples from the Kubota Hotline for whistleblowers, readily relatable cases that could occur at any workplace are presented as a way of improving individual commitment to and awareness of compliance and preventing recurrence. Following an outline of the real-life example in the form of a manga cartoon, its main points are discussed.