

Summary of the Evaluation of the Effectiveness of Kubota Corporation's Board of Directors for Fiscal 2022

Kubota Corporation (hereinafter, "Kubota") aims to "Strengthening corporate governance," which is one of the material issues for accelerating the achievement of our Long-Term Vision "GMB2030," and believes that it is important to continue pursuing corporate governance that supports fair, prompt, and decisive business management, in order to raise our corporate value. Accordingly, Kubota works to improve the effectiveness of its Board of Directors by conducting evaluations of the Board of Directors every year to verify how its roles and functions contribute to fulfilling its duties of overseeing management.

In order for the Board of Directors to fulfill its functions further, in fiscal 2022, the evaluation of the Board of Directors' effectiveness was conducted by a third-party organization, as reported below.

1. Evaluation method

An evaluation by a third-party organization was conducted from November 2022 to March 2023. The evaluation methodology is as outlined in (1) to (4) below.

(1) Effectiveness evaluation questionnaire

The questionnaire based on questions compiled by a third-party organization was given to all Directors and Audit & Supervisory Board Members (total 16 persons).

Evaluation major items: Overall Evaluation of the Board of Directors / Composition of the Board of Directors / Operations of the Board of Directors / Role and Contribution of Members / Leadership of Chair / Corporate Strategy and Sustainability / Monitoring of Business Portfolio and Management Resources (Human Resources, Business/Products, Finance/Accounting) / Creation of Synergies / Risk Management and Compliance / Response to Stakeholders / Monitoring of Execution and Performance / Analysis of Management Decisions / Sound Decision-Making / Culture of the Board / Effectiveness of Committees on Nominations and Remuneration / Utilization of Effectiveness Evaluation / Own Contribution to the Board of Directors / Gap Analysis (evaluating the level of importance of proposals and the amount of discussion respectively on a scale of 10 and analyzing the gap)

(2) Interviews

Based on the results of the questionnaire, the third-party organization conducted interviews of the Directors individually and a group interview among six Audit & Supervisory Board Members.

(3) Report to and discussion (i) at Board of Directors Meeting

The third-party organization reported the evaluation results of (1) and (2) at the Board of Directors Meeting, and discussion was held on the issues extracted and future initiatives.

(4) Report to and discussion (ii) at Board of Directors Meeting

The chair reported the action plan for fiscal 2023 at the Board of Directors Meeting, and discussion was held by the Board members.

2. Evaluation results

The results of the third-party evaluation indicated that the Board of Directors is functioning effectively, sufficiently exercising both its decision-making and supervisory functions. The overview of the third-party evaluation results is as follows:

(1) The following strengths were found to support the effectiveness of the Board of Directors.

- Continuous efforts for Kubota to creatively fulfill its supervisory function proved to be successful, supporting the execution of duties appropriately.

<Composition>

- The direction of corporate value enhancement with a focus on K-ESG management is made clear and shared among the Directors.
- Outside Directors with a high degree of expertise and broad knowledge base offer questions and comments that bring new perspectives and awareness to the execution.
- Active involvement by the Audit & Supervisory Board Members who are well-versed in Kubota's business and organizational culture helps to raise the level of the supervisory function.
- Members attending the Board of Directors Meetings have mutual respect for their knowledge/experience and contributions to the Board of Directors, which serves as a foundation for constructive discussions.

<Operation>

- Front-line-oriented proposals were chosen, fitting Kubota's unique focus area.
 - The way the chair facilitates active discussions certainly contributes to the improvement of the quality of such discussions.
- The Board of Directors has become more effective thanks to the measures taken in fiscal 2022 against the major issues extracted from the evaluation of effectiveness in fiscal 2021.

Major issues in fiscal 2021	Initiatives in fiscal 2022
Creating more opportunities to have discussions from a medium- to long-term perspective	<p>Launched Value Up Discussion Meetings (“VUDMs”)* to create opportunities to discuss managerial issues that concern the entire Group from a medium- to long-term perspective.</p> <p><Deliberations at VUDMs in fiscal 2022></p> <p>January 2022: Constructive Dialogue with Stakeholders</p> <p>April 2022: Review of VUDMs and how to run VUDMs going forward</p> <p>October 2022: Group Risk Management</p>
Strengthening the monitoring function for the progress of important projects	Shared a list of projects needing follow-ups within the Board of Directors every six months to visualize their current state.
Building a risk management structure for the entire Group	After a series of discussions on Group Risk Management at VUDMs and the Board of Directors Meetings, it was decided to establish the Kubota Group Risk Management Committee in January 2023, which periodically assesses the risk environment for the Group and promotes measures against risks that could seriously impact management.

* Value Up Discussion Meeting: An opportunity for the Board of Directors Members to openly discuss topics designed to enhance corporate value. Held periodically since July 2021.

(2) Meanwhile, in order to ensure sustainable business growth toward the realization of the Long-Term Vision “GMB2030,” Kubota is expected to address the following challenges to further improve the effectiveness of the Board of Directors.

- Deepen discussions on medium- to long-term growth strategies
 - Expand the proposals to deepen discussions on Kubota’s medium- to long-term goals and their feasibility, taking into account adequate understanding among stakeholders.
 - Strengthen the operational function for further utilization of VUDMs.

- Strengthen the function of the Nomination Advisory Committee
 - Clarify the requirements for candidates of the next-generation management team and their selection process.
 - Strengthen the promotion of the development of next-generation management candidates and their monitoring.

- Create a board succession system that supports high effectiveness
 - Build a system that helps to maintain Kubota’s distinctive Board of Directors, which contributes to sustainable, resilient growth.

3. Action plans to enhance effectiveness in fiscal 2023

In response to the evaluation results for fiscal 2022, the Company will primarily formulate and implement the following action plans for fiscal 2023 to further enhance discussions and improve the effectiveness of the Board of Directors.

Major issues in fiscal 2022	Action plans for fiscal 2023
Deepen discussions on medium- to long-term growth strategies	Extract topics concerning medium- to long-term growth strategies that should be addressed preferentially, examine the timing for monitoring each topic from a supervisory perspective, and review the proposals for the Board of Directors Meetings and VUDMs.
Strengthen the function of the Nomination Advisory Committee	The Nomination Advisory Committee examines the direction in formulating a succession plan for next-generation management team members.
Create a board succession system that supports high effectiveness	Build a system for continuously considering the whole concept of the Board of Directors to provide opportunities to discuss Kubota’s unique ‘ideal’ Board of Directors with a focus on the Board’s roles and functions in accelerating the realization of the Long-Term Vision “GMB2030.”

[Reference: Process for improvement of the Board of Directors’ effectiveness]

The Company employs a continuous cycle for improvement, where it evaluates the Board of Directors’ effectiveness at the end of each fiscal year, identifies issues in light of the evaluation findings, and develops action plans to address them. These plans are then implemented by the Board of Directors the following year, as shown in the diagram below.

