

February 14, 2022

FOR IMMEDIATE RELEASE

KUBOTA Corporation

Contact: IR Section
Corporate Planning & Control Dept.
2-47, Shikitsuhigashi 1-chome,
Naniwa-ku, Osaka 556-8601, Japan
Phone: +81-6-6648-2645

Notice regarding revision to the remuneration plan for Directors

Kubota Corporation (hereinafter, the "Company") has resolved to revise its remuneration plan for the Company's Directors (hereinafter, the "Remuneration Plan") and, accordingly, introduce a performance-linked stock compensation plan using a trust for the Directors (excluding Outside Directors) of the Company at the meeting of the Board of Directors held today. The Company plans to submit the following two proposals to the 132nd Ordinary General Meeting of Shareholders scheduled to be held on March 18, 2022 (hereinafter, the "Ordinary General Meeting of Shareholders"): (1) a proposal regarding revision to the amount of monetary compensation in accordance with the revision to the Remuneration Plan and (2) a proposal regarding introduction of the (said) performance-linked stock compensation plan using a trust. The details are as follows. (For the performance-linked stock compensation plan, please refer to the "Notice regarding the introduction of a performance-linked stock compensation plan (RS Trust) for Directors" separately disclosed today.)

1. Revision to the Remuneration Plan for Directors

The Company has offered three types of remuneration to the Company's Directors (excluding Outside Directors) who engage in management from both short- and long-term perspectives for the purpose of maximizing the corporate value: basic remuneration, which is a fixed remuneration; annual bonuses as short-term incentive remuneration, which is a variable remuneration; and restricted stock compensation as long-term incentive remuneration. The remuneration for Outside Directors consists of basic remuneration only in order to have them fully perform their role of management supervision. Under the Company's long-term vision "GMB 2030," it has been transforming its business operations into those having ESG at the management core, and, at the same time, striving to further strengthen the supervisory function of the Board of Directors (strengthening corporate governance). Under these circumstances, the Company considers responsibilities and expected roles of its Directors will be increasingly important in the future; thus, it has decided to review the Remuneration Plan and established the following basic principles for the remuneration of the Directors, subject to the approval of the proposals relating to the remuneration for Directors, etc. at the 132nd Ordinary General Meeting of Shareholders.

2. Basic Principles

- (1) The purpose of the remuneration for the Company's Directors (excluding Outside Directors) is to encourage the Company's Directors (excluding Outside Directors) to take the lead for sustainable growth while fulfilling social responsibilities as a company aiming to become a global major brand (hereinafter, the "GMB") company.
 - Motivate the Directors to achieve performance targets by reflecting in their remuneration quantitative and objective evaluation results based on financial performance indicators.
 - By reflecting evaluation results of the progress of the Kubota Group's original ESG initiatives (hereinafter, the "K-ESG") in remuneration of Directors to accelerate K-ESG management initiatives.

- Encourage the Directors to hold shares of the Company's stock during their tenure and make them strongly aware of the need to sustainably improve corporate value through a remuneration system that is closely linked to shareholder value.
 - Along with achievement of the Company's performance targets, K-ESG and improvement of corporate value, set the levels of remuneration and performance linkage that allow the Directors to receive remuneration that is equivalent to or greater than the standard remuneration at other GMB companies that are defined by the Company.
- (2) The Company ensures transparency and objectivity in executing the Remuneration Plan in order to achieve the purpose of remuneration.
- Decisions on the formulation and management of remuneration policy are made by resolutions of the Board of Directors after deliberation by the Compensation Advisory Committee, a majority of which members consist of Outside Directors.
 - In order to properly fulfill accountability to shareholders of the Company, the Company discloses information that deepens the understanding of and promotes dialogue with the shareholders, which does not stay within the scope required by applicable laws and regulations.

Furthermore, the Company has decided to revise the Remuneration Plan based on the above basic principles. An outline of the revised Remuneration Plan is as follows. This revision is subject to the approval of related proposals at the Ordinary General Meeting of Shareholders.

3. Outline of the Remuneration Plan after the revision

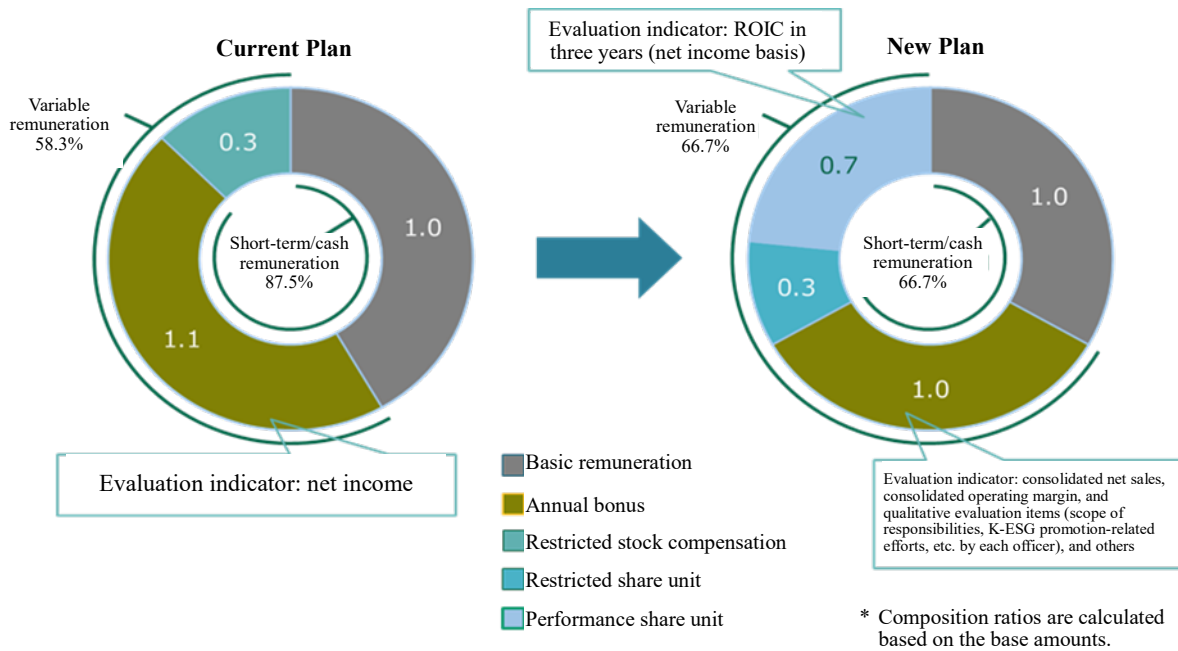
(1) Remuneration System

Remuneration for the Company's Directors (excluding Outside Directors) is made up of basic remuneration, fixed remuneration; and bonuses, performance-linked remuneration. The ratio of the basic remuneration to the performance-linked remuneration shall be approximately 1:2 for the President and Representative Director to ensure more weight is put on the performance-linked remuneration, which should be appropriate to maintain a competitive remuneration level. At the same time, the remuneration system for Directors other than the President and Representative Director shall be set so that the higher the corporate rank, the greater the ratio of performance-linked remuneration, in accordance with the weight of responsibility of each corporate rank. The performance-linked remuneration consists of annual bonuses for the purpose of encouraging Directors to achieve the business scale and profitability targets for each business year, and stock compensation (restricted share unit and performance share unit) for the purpose of encouraging Directors to share shareholder value and maximize corporate value over the medium to long term. The ratio of the annual bonuses to the stock compensation shall be approximately 1:1

- The remuneration for Outside Directors shall consist of basic remuneration only, or fixed remuneration. This is because one of the roles of an Outside Director is to perform a supervisory function and provide objective advice on management at Board of Directors meetings from a position that is independent of the Company's business execution.
- The composition of remuneration and an outline of each component are as follows.

(Composition of Remuneration)

Conceptual image of Remuneration Composition Ratios for President and Representative Director (comparison: current plan vs. new plan)



(Outline of Each Component)

Type of remuneration	Outline
Basic remuneration	[Fixed remuneration set in proportion to the size of duties by corporate rank, etc.] -The individual amount of basic remuneration shall be decided at the meeting of the Board of Directors based on the details of confirmation and deliberation by the Compensation Advisory Committee: the amount of (total) basic remuneration divided by 12 is paid on the same pay day as employees' salary, on a monthly basis.
Annual bonus	[Cash remuneration intended to encourage the achievement of business size and profitability-related performance targets set for each fiscal year and accelerate the K-ESG management efforts] <ul style="list-style-type: none"> Consists of a portion linked to company-wide performance (50–70% of the bonus based on corporate rank), a portion of individual evaluation (10–30%), and a portion of K-ESG evaluation (20%) The portion linked to company-wide performance changes between 0% and 200% of the base amount in proportion to the degree of achievement in the targeted consolidated revenue and operating profit margin, which are key indicators under the Mid-Term Business Plan 2025. The portion of individual evaluation changes between 0% and 200% of the base amount in proportion to the degree of achievement in strategic company-wide targets, specific targets in the efforts under the Mid-Term Business Plan, financial targets for the area(s) the person is in charge of, etc. which are set at the beginning of the fiscal year based on individual responsibilities/jurisdiction. The portion of K-ESG evaluation changes between 0% and 200% of the base amount in proportion to the degree of achievement in K-ESG promotion targets set at the beginning of the fiscal year. The target setting in and the evaluation result of each evaluation category shall be decided at the meeting of the Board of Directors based on the details of confirmation and deliberation by the Compensation Advisory Committee: paid annually in March, in principle.

Type of remuneration	Outline
Restricted share unit (RS Trust)	<p>[Stock compensation intended to encourage continued shareholding while in service/office, through which the sharing of and improvements in shareholder value are promoted]</p> <ul style="list-style-type: none"> The number of restricted stocks specified for each corporate rank shall be issued generally after the closing of each period, from the trust that sets the Company as the entruster in every period. In principle, the transfer restriction of issued shares shall be lifted at the time of (their) retirement (which means the point of time when they are no longer Directors or Executive Officers of the Company; the same applies hereinafter).
Performance share unit (RS Trust)	<p>[Stock compensation for the purpose of improving the shareholder value by achieving the medium- to long-term performance target]</p> <ul style="list-style-type: none"> Restricted stocks shall be issued generally after each performance evaluation period ends, from the trust that sets the Company as the entruster according to the result of the financial evaluation of the performance evaluation period of three years, which starts in every period. In principle, the transfer restriction of issued shares shall be lifted when Directors, etc. retire. The indicator of the financial evaluation is ROIC on a net income basis for the purpose of promoting the maximization of corporate value in the medium to long term by effectively creating profit relative to invested capital, and the number of the shares to be issued in proportion to the degree of achievement changes between 0% and 200%.

* Basic views, etc. on the evaluation indicators and targets for annual bonuses and performance share units shall be re-examined on an ongoing basis in response to changes in the management environment and others, through a review by the Compensation Advisory Committee. The Company is considering using the performance share unit as an indicator for the K-ESG evaluation from now on.

(2) Maximum Amount of Monetary Compensation for Directors

- At the 131st Ordinary General Meeting of Shareholders held on March 19, 2021, it was resolved that the maximum amount of remuneration for Directors of the Company would be 510 million yen or less per year (including 80 million yen or less for Outside Directors). Bonuses for Directors (excluding Outside Directors) of the Company who are in charge of execution of the Company's business was resolved at the ordinary general meeting of shareholder held each year; however, in accordance with the revision to the Remuneration Plan, the maximum amount of monetary compensation for the Directors shall be set by each component: basic remuneration and annual bonus. From now on, the maximum basic remuneration shall be 900 million yen or less per year (including 160 million yen or less for Outside Directors), and the maximum annual bonus shall be 1,060 million yen or less per year.

(3) Remuneration Level

- In order to properly secure competitiveness in terms of compensation suitable for a GMB company, the Company appropriately sets the level of remuneration for the Company's Directors (excluding Outside Directors) based on their corporate ranks and duties, by using data on objective executive remuneration surveys conducted by an external specialized institution ("Executive Compensation Database" by WTW (Willis Towers Watson)), etc. to identify a group of companies whose size, profitability, type of business, overseas networks, etc. are comparable to the Company's as a benchmark for comparison.

(4) Shareholding Guidelines

- For the purpose of deepening the level of shared value with its shareholders, the Company encourages the Company's Directors (excluding Outside Directors) to hold the Company stock basically as follows.

President and Representative Director:	stock worth three times the basic remuneration by five years from taking office
Other Directors:	stock worth 2.4 to 2.7 times the basic remuneration by five years from taking office

(5) Clawback/recovery of remuneration, etc. (malus and clawback clauses)

- The Company has compensation clawback clauses (i.e., malus and clawback clauses) for the restricted share unit and the performance share unit to be granted to Directors. If an incident of misconduct, etc. involving the Directors (including those retired) of the Company arises or such a fact comes to light, the Company may claim the return, etc. of a pre-issue points to receive shares, and all or part of the issued restricted shares and shares after the transfer restriction is lifted. The decisions on claims for return, etc. and their details shall be reviewed by the Compensation Advisory Committee before being determined by the Board of Directors' resolution.

(6) Remuneration Decision Process

- The Company's policy on the decision of the details of remunerations for Directors and the details of individual remuneration, etc. shall be decided by the resolution of the Board of Directors based on the result of objective deliberation by the Compensation Advisory Committee, most of whose members are Outside Directors.
- The review by the Compensation Advisory Committee shall be attended/observed by a compensation advisor from WTW, an external specialized institution, where necessary, for the purpose of providing an objective point of view as well as expert knowledge and information concerning compensation plans.
- The composition and activities of the Compensation Advisory Committee, which conducted deliberation on the policies for the 133rd term (fiscal 2022), are as follows:

(Composition)

- | | |
|--------------------------------------------------------|----------------------------|
| • Outside Director | Yuzuru Matsuda |
| • Outside Director | Koichi Ina |
| • Outside Director | Yutaro Shintaku |
| • Outside Director | Kumi Arakane |
| • Executive Vice President and Representative Director | Masato Yoshikawa |
| • Senior Managing Executive Officer | Kazuhiro Kimura |
| • Outside Audit & Supervisory Board Member | Masaki Fujiwara (Observer) |

(Activities)

- | | |
|-----------------------|---------------------------------------------------------------------|
| 1. March 19, 2021 | Deliberation on the pros and cons of revising the remuneration plan |
| 2. April 20, 2021 | Deliberation on the remuneration plan for fiscal 2022 and onward |
| 3. June 16, 2021 | Deliberation on the concept of the new remuneration plan |
| 4. August 5, 2021 | Deliberation on the new remuneration levels |
| 5. September 16, 2021 | Deliberation on the design of the new remuneration plan |
| 6. November 5, 2021 | Deliberation on the design of the new remuneration plan |
| 7. December 8, 2021 | Deliberation on the design of the new remuneration plan |

< Cautionary Statements with Respect to Forward-Looking Statements >

This document may contain forward-looking statements that are based on management's expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation: general economic conditions in the Company's markets, particularly government agricultural policies, levels of capital expenditures both in public and private sectors, foreign currency exchange rates, the occurrence of natural disasters, continued competitive pricing pressures in the marketplace, as well as the Company's ability to continue to gain acceptance of its products.

End of document