

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 6326
February 26, 2021

To Shareholders

Yuichi Kitao
President and Representative Director

KUBOTA Corporation

2-47, Shikitsuhigashi 1-chome,
Naniwa-ku, Osaka, 556-8601 Japan

**CONVOCAION NOTICE FOR
THE 131ST ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Kubota Corporation hereby notifies you that the 131st Ordinary General Meeting of Shareholders will be held as follows.

In order to prevent the spread of the novel coronavirus disease (COVID-19), you are strongly encouraged to exercise your voting rights prior to the meeting in writing or by using the Internet, and to refrain from attending the meeting in person, regardless of your own state of health. Kubota Corporation cordially requests that you make sure to study the reference materials annexed hereto, and exercise your voting rights by 5:00 p.m. on Thursday, March 18, 2021 (JST).

Date and time	Friday, March 19, 2021, at 10:00 a.m. (JST) (Reception desk opens at 9:00 a.m.)
Place	Convention Hall of Kubota Corporation 2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka, Japan
Matters for which the meeting is held	<u>Matters to Be Reported</u> <ol style="list-style-type: none">1. Business report, the consolidated financial statements and the non-consolidated financial statements for the 131st business term (from January 1, 2020 to December 31, 2020)2. The results of the audits of the consolidated financial statements by the Independent Auditor and by the Audit & Supervisory Board <u>Matters Requiring Resolutions</u> Proposal 1: Election of Nine Directors Proposal 2: Election of One Audit & Supervisory Board Member Proposal 3: Revision of the Amount of Remuneration for Directors Proposal 4: Bonus Payments for Directors

Exercising Voting Rights

Exercise of voting rights prior to the Ordinary General Meeting of Shareholders

- Exercise of voting rights by mail (in writing)

Deadline for exercising voting rights:

No later than Thursday, March 18, 2021, at 5:00 p.m. (JST)

Please indicate your approval or disapproval on each of the proposals on the enclosed voting instruction card and return the said form to us so that it is received no later than the deadline for exercising your voting rights.

- Exercise of voting rights via the internet

Deadline for exercising voting rights:

No later than Thursday, March 18, 2021, at 5:00 p.m. (JST)

Please access the designated website for exercising your voting rights and indicate your approval or disapproval on each of the proposals no later than the deadline.

* If you duplicate the vote by exercising the voting rights both in writing and via the internet, only the internet vote will be valid.

Designated site for exercising voting rights:

<https://www.web54.net>

Attending the Ordinary General Meeting of Shareholders in person

- Exercise of voting rights at the Ordinary General Meeting of Shareholders

Date and time of the Ordinary General Meeting of Shareholders:

Friday, March 19, 2021, at 10:00 a.m. (JST) (Reception desk opens at 9:00 a.m.)

Please submit the enclosed voting instruction card at the reception desk at the venue. Please bring this document as well, as it contains the agenda for the meeting. Please note that anyone other than a shareholder who is entitled to exercise voting rights (e.g., non-shareholding proxy, person accompanying the shareholder) will not be allowed inside the venue.

- Of the business report, the financial position and the results of operations, consolidated statement of changes in equity, notes to consolidated financial statements, statement of changes in net assets (non-consolidated) and notes to financial statements (non-consolidated) are posted on our following internet website in accordance with laws and regulations, and the provision in Article 16 of the Articles of Incorporation.
- Of the business report, the financial position and the results of operations, consolidated statement of changes in equity, notes to consolidated financial statements, statement of changes in net assets (non-consolidated) and notes to financial statements (non-consolidated) are part of the consolidated financial statements and non-consolidated financial statements that were audited by the Independent Auditor and the Audit & Supervisory Board Members in preparing the audit reports.
- Any revision of the reference materials for the meeting, business report, or the consolidated financial statements and the non-consolidated financial statements will be posted on our following internet website.

Website for Convocation Notices for General Meeting of Shareholders:

https://www.kubota.com/ir/sh_info/meeting/convocation/index.html

For Institutional investors

For institutional investors, the electronic voting platform operated by ICJ, Inc., is available for exercising your voting rights for this meeting.

REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and Reference Information

Proposal 1: Election of Nine Directors


The term of office of all nine Directors will expire at the conclusion of this meeting. At this juncture, Kubota Corporation proposes to elect nine Directors to maintain the number of Directors at an appropriate level for carrying on effective discussions at meetings of the Board of Directors, while strengthening the Group management base with an eye to the expansion of the overseas business activities, thereby realizing sustainable growth and increasing the trust that society places in the Kubota Group (hereinafter the “Group”), and also strengthening the corporate governance framework. If this proposal is approved and passed as proposed, four out of the nine Directors will be Outside Directors.

The candidates for Director are as described below. Among the candidates, Yuzuru Matsuda, Koichi Ina, Yutaro Shintaku and Kumi Arakane are candidates for Outside Director.

No.	Name		Position and Responsibility at Kubota Corporation and Important Concurrent Positions	Attendance of the Meetings of the Board of Directors
1	Masatoshi Kimata	Reappointment	Chairman and Representative Director of Kubota Corporation	100% (12 of 12)
2	Yuichi Kitao	Reappointment	President and Representative Director of Kubota Corporation	100% (12 of 12)
3	Masato Yoshikawa	Reappointment	Director and Executive Vice President of Kubota Corporation, General Manager of Planning and Control Headquarters, General Manager of Global ICT Headquarters	100% (12 of 12)
4	Toshihiko Kurosawa	Reappointment	Director and Senior Managing Executive Officer of Kubota Corporation, General Manager of Water and Environment Infrastructure Consolidated Division, Deputy General Manager of Innovation Center, General Manager of Tokyo Head Office	100% (12 of 12)
5	Dai Watanabe	Reappointment	Director and Senior Managing Executive Officer of Kubota Corporation, General Manager of Farm and Industrial Machinery Consolidated Division, General Manager of Innovation Center	100% (12 of 12)
6	Yuzuru Matsuda	Reappointment Independent Outside	Director of Kubota Corporation, Director of BANDAI NAMCO Holdings Inc., Director of JSR Corporation, Director Emeritus of Kato Memorial Bioscience Foundation	100% (12 of 12)
7	Koichi Ina	Reappointment Independent Outside	Director of Kubota Corporation, Director of Sansha Electric Manufacturing Co., Ltd. Chairman of Central Japan Industries Association	100% (12 of 12)
8	Yutaro Shintaku	Reappointment Independent Outside	Director of Kubota Corporation, Director of Santen Pharmaceutical Co., Ltd., Director of J-Oil Mills, Inc., Executive Trustee of Tonen International Scholarship Foundation, Special Professor of Hitotsubashi University Business School, Director of KOZO KEIKAKU ENGINEERING Inc.	100% (12 of 12)
9	Kumi Arakane	New Nomination Independent Outside	Audit & Supervisory Board Member of Kubota Corporation, Director of Kagome Co., Ltd., Director of TODA CORPORATION	100% (12 of 12)

- (Notes) 1. Ms. Kumi Arakane’s attendance of the meetings of the Board of Directors is attendance as an Outside Audit & Supervisory Board Member.
2. Kubota Corporation has purchased directors and officers liability insurance (D&O insurance) for all of the Directors (including Outside Directors) and Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members) as the insured persons.
- The insurance policies cover liability of Directors and Audit & Supervisory Board Members arising in the performance of their duties and damage claims received pertaining to the pursuit of said liability. However, there are certain exclusions, such as no coverage for liability arising from actions taken with the knowledge that they were in

violation of laws and regulations. All candidates are covered by the insurance policy. In addition, Kubota Corporation plans to renew the insurance policies with the above details at the time of renewal in November 2021.

No. 1	Masatoshi Kimata (Date of Birth: June 22, 1951)	Reappointment	
Number of Kubota Corporation's Shares Owned: 136,486 shares			
Tenure as Director: 8 years and 9 months, at the conclusion of this meeting			
Attendance of the Meetings of the Board of Directors: 100% (12 of 12)			


Career Summary, Position and Responsibility at Kubota Corporation, and Important Concurrent Positions

April 1977	Joined Kubota Corporation
October 2001	General Manager of Tsukuba Plant, General Manager of Tsukuba Training Center of Kubota Corporation
June 2005	Director of Kubota Corporation
April 2007	Deputy General Manager of Sales Headquarters in Farm and Industrial Machinery Consolidated Division of Kubota Corporation
April 2008	Managing Director of Kubota Corporation
April 2009	Director and Managing Executive Officer of Kubota Corporation
April 2009	Deputy General Manager of Farm and Industrial Machinery Consolidated Division, General Manager of Sales Headquarters in Farm and Industrial Machinery Consolidated Division of Kubota Corporation
June 2009	Managing Executive Officer of Kubota Corporation
July 2010	Senior Managing Executive Officer of Kubota Corporation
August 2010	President of SIAM KUBOTA Corporation Co., Ltd.
April 2012	General Manager of Water and Environment Domain, General Manager of Tokyo Head Office of Kubota Corporation
June 2012	Director and Senior Managing Executive Officer of Kubota Corporation
August 2012	Administrative Officer - Corporate Staff, General Manager of Water Engineering and Solution Division of Kubota Corporation
April 2013	General Manager of Procurement Headquarters of Kubota Corporation
April 2014	Representative Director and Executive Vice President of Kubota Corporation
July 2014	President and Representative Director of Kubota Corporation
January 2020	Chairman and Representative Director of Kubota Corporation (to present)

Reasons for Nomination as Candidate for Director

Masatoshi Kimata has broad-ranging knowledge on the overall workings of the Company's Farm and Industrial Machinery business and Water and Environment business, and he possesses an ability to provide comprehensive and sound judgment relating to the management of the Group as a whole based on his long-standing experience in carrying out business in both manufacturing and sales operations, in Japan and overseas. He assumed office as Director in 2012, and since July 2014, as President and Representative Director, he has been spearheading the Group's growth while forging ahead with the enhancement of management structure and globalization of business. In addition, since assuming office as Chairman and Representative Director in January 2020, he continues to conduct management oversight of the Company as the Chairman of the Board of Directors, while striving to strengthen the functions of the Board of Directors by promoting constructive discussions among other efforts. He was nominated as a candidate for Director based on the judgment that he has the ability to continue to properly oversee the management of the Group as a whole and contribute to its sustainable growth and improvement of corporate value, drawing on his experience and record of accomplishments.

- (Notes)
1. There is no special interest between Kubota Corporation and Mr. Kimata.
 2. The tenure as Director of Mr. Kimata shows the most recent consecutive time period served as a Director.

No. 2	Yuichi Kitao (Date of Birth: July 15, 1956)	Reappointment	
Number of Kubota Corporation's Shares Owned: 93,764 shares			
Tenure as Director: 6 years and 9 months, at the conclusion of this meeting			
Attendance of the Meetings of the Board of Directors: 100% (12 of 12)			


Career Summary, Position and Responsibility at Kubota Corporation, and Important Concurrent Positions

April 1979	Joined Kubota Corporation
April 2005	General Manager of Tractor Engineering Dept. of Kubota Corporation
April 2009	Executive Officer of Kubota Corporation
April 2009	General Manager of Tractor Division of Kubota Corporation
January 2011	President of Kubota Tractor Corporation
April 2013	Managing Executive Officer of Kubota Corporation
October 2013	General Manager of Farm and Utility Machinery Division, General Manager of Farm and Utility Machinery International Operations Headquarters of Kubota Corporation
June 2014	Director and Managing Executive Officer of Kubota Corporation
April 2015	Director and Senior Managing Executive Officer of Kubota Corporation
April 2015	General Manager of Farm and Industrial Machinery Domain of Kubota Corporation
January 2019	Representative Director and Executive Vice President of Kubota Corporation
January 2019	General Manager of Farm and Industrial Machinery Consolidated Division of Kubota Corporation
June 2019	General Manager of Innovation Center of Kubota Corporation
January 2020	President and Representative Director of Kubota Corporation (to present)

Reasons for Nomination as Candidate for Director

Yuichi Kitao has extensive knowledge and experience that has accumulated while being in charge of the Farm and Industrial Machinery Domain over many years, in which role he has expanded this domain's business operations, which has included M&A, and grown the overseas business. He assumed office as Director in June 2014 and as Representative Director and Executive Vice President in January 2019, and he has demonstrated his skills in the creation of new businesses such as by providing direction in the establishment of Innovation Center. Since assuming office as President and Representative Director in January 2020, he has promoted the further expansion of globalization and business operations by accelerating innovation, and has contributed to strengthening the functions of the Board of Directors, drawing on his experience and record of accomplishments. He was nominated as a candidate for Director based on the judgment that he has the ability to continue to properly oversee the management of the Group as a whole and contribute to its sustainable growth and improvement of corporate value.

(Note) There is no special interest between Kubota Corporation and Mr. Kitao.

No. 3	Masato Yoshikawa (Date of Birth: January 27, 1959)	Reappointment	
Number of Kubota Corporation's Shares Owned: 49,800 shares			
Tenure as Director: 4 years, at the conclusion of this meeting			
Attendance of the Meetings of the Board of Directors: 100% (12 of 12)			


Career Summary, Position and Responsibility at Kubota Corporation, and Important Concurrent Positions

April 1981	Joined Kubota Corporation
February 2008	General Manager of Ductile Iron Pipe Planning Dept. of Kubota Corporation
October 2009	General Manager of Pipe Systems Planning Dept., General Manager of Ductile Iron Pipe Planning Dept. of Kubota Corporation
October 2010	General Manager of Corporate Planning and Control Dept. of Kubota Corporation
April 2012	Executive Officer of Kubota Corporation
October 2013	President of Kubota Tractor Corporation
April 2015	Managing Executive Officer of Kubota Corporation
March 2017	Director and Managing Executive Officer of Kubota Corporation
January 2018	Director and Senior Managing Executive Officer of Kubota Corporation
January 2019	General Manager of Planning and Control Headquarters of Kubota Corporation (to present)
	General Manager of Global IT Management Dept. of Kubota Corporation
April 2019	General Manager of Global ICT Headquarters of Kubota Corporation (to present)
January 2020	Director and Executive Vice President of Kubota Corporation (to present)

Reasons for Nomination as Candidate for Director

Masato Yoshikawa is highly proficient in corporate management from a global perspective based on his experience in the business planning operations and as a president of a sales company in North America, an important market. He assumed office as Director in March 2017 and as Director and Executive Vice President in January 2020, and he has contributed from multiple perspectives to strengthening the functions of the Board of Directors, drawing on his knowledge and experience. He was nominated as a candidate for Director based on the judgment that he has the ability to continue to properly oversee the management of the Group as a whole and contribute to its sustainable growth and improvement of corporate value.

(Note) There is no special interest between Kubota Corporation and Mr. Yoshikawa.

No. 4	Toshihiko Kurosawa (Date of Birth: August 14, 1955)	Reappointment	
Number of Kubota Corporation's Shares Owned: 63,632 shares			
Tenure as Director: 2 years, at the conclusion of this meeting			
Attendance of the Meetings of the Board of Directors: 100% (12 of 12)			


Career Summary, Position and Responsibility at Kubota Corporation, and Important Concurrent Positions

April 1979	Joined Kubota Corporation
May 2003	General Manager of Pump Sales Dept. I of Kubota Corporation
April 2005	General Manager of Pump Sales Dept. I, General Manager of Pump Sales Dept. II of Kubota Corporation
April 2006	General Manager of Pump Division of Kubota Corporation
April 2010	Executive Officer of Kubota Corporation
April 2012	Deputy General Manager of Business Development Headquarters, General Manager of International Business Promotion Dept. of Kubota Corporation
April 2013	General Manager of Strategic Business Promotion Dept. of Kubota Corporation
April 2014	Managing Executive Officer of Kubota Corporation
April 2014	General Manager of Water Engineering and Solution Division of Kubota Corporation
January 2018	General Manager of Tokyo Head Office of Kubota Corporation (to present)
January 2018	Deputy General Manager of Water and Environmental Infrastructure Domain, General Manager of Environmental Solutions Division of Kubota Corporation
January 2019	Senior Managing Executive Officer of Kubota Corporation
January 2019	General Manager of Water and Environment Infrastructure Consolidated Division of Kubota Corporation (to present)
March 2019	Director and Senior Managing Executive Officer of Kubota Corporation (to present)
April 2020	Deputy General Manager of Innovation Center (to present)

Reasons for Nomination as Candidate for Director

Toshihiko Kurosawa has high-level expertise and broad-ranging knowledge, which he has accumulated through his long-standing involvement in the pump business and his experience in promoting overseas business development and new business as the person in charge of the Water and Environment business. He assumed office as Director in March 2019, and he has contributed to strengthening the functions of the Board of Directors, drawing on his knowledge and experience. He was nominated as a candidate for Director based on the judgment that he has the ability to continue to properly oversee the management of the Group as a whole and contribute to its sustainable growth and improvement of corporate value.

(Note) There is no special interest between Kubota Corporation and Mr. Kurosawa.

No. 5	Dai Watanabe (Date of Birth: October 2, 1958)	Reappointment	
Number of Kubota Corporation's Shares Owned: 65,432 shares			
Tenure as Director: 2 years, at the conclusion of this meeting			
Attendance of the Meetings of the Board of Directors: 100% (12 of 12)			


Career Summary, Position and Responsibility at Kubota Corporation, and Important Concurrent Positions

April 1984	Joined Kubota Corporation
June 2008	General Manager of Farm and Industrial Machinery International Planning and Control Dept. of Kubota Corporation
January 2012	President of Kubota Europe S.A.S.
April 2013	Executive Officer of Kubota Corporation
February 2014	President of Kubota Farm Machinery Europe S.A.S.
December 2014	President of Kverneland AS
September 2016	General Manager of Agricultural Implement Business Unit of Kubota Corporation
January 2017	Managing Executive Officer of Kubota Corporation
January 2017	General Manager of Agricultural Implement Division of Kubota Corporation
October 2017	President of Kubota Holdings Europe B.V.
January 2018	General Manager of Agricultural Implement Division of Kubota Corporation
January 2019	Senior Managing Executive Officer of Kubota Corporation
January 2019	General Manager of Farm and Industrial Machinery Strategy and Operations Headquarters of Kubota Corporation
March 2019	Director and Senior Managing Executive Officer of Kubota Corporation (to present)
June 2019	Deputy General Manager of Innovation Center of Kubota Corporation
January 2020	General Manager of Farm and Industrial Machinery Consolidated Division of Kubota Corporation (to present)
January 2020	General Manager of Innovation Center of Kubota Corporation (to present)

Reasons for Nomination as Candidate for Director

Dai Watanabe has extensive experience as a president at a regional headquarters company and sales companies in Europe, and he has established inroads for a full-scale entry into the upland farming market by the Company's farming machinery business through orchestrating the market entry into the Agricultural Implement business. He assumed office as Director in March 2019, and he has contributed to strengthening the functions of the Board of Directors, drawing on his experience and record of accomplishments. He was nominated as a candidate for Director based on the judgment that he has the ability to continue to properly oversee the management of the Group as a whole and contribute to its sustainable growth and improvement of corporate value.

(Note) There is no special interest between Kubota Corporation and Mr. Watanabe.

Reappointment / Independent / Outside	
No. 6 Yuzuru Matsuda (Date of Birth: June 25, 1948)	
Number of Kubota Corporation's Shares Owned: 20,100 shares	
Tenure as Outside Director: 6 years and 9 months, at the conclusion of this meeting	
Attendance of the Meetings of the Board of Directors: 100% (12 of 12)	

Career Summary, Position and Responsibility at Kubota Corporation, and Important Concurrent Positions

April 1977	Joined Kyowa Hakko Kogyo Co., Ltd. (currently, Kyowa Kirin Co., Ltd.)
June 1999	Director of Drug Discovery Research Laboratories, Pharmaceutical Research Institute of Kyowa Hakko Kogyo Co., Ltd.
June 2000	Executive Officer of Kyowa Hakko Kogyo Co., Ltd.
June 2000	Executive Director of Pharmaceutical Research Institute of Kyowa Hakko Kogyo Co., Ltd.
June 2002	Executive Director of Kyowa Hakko Kogyo Co., Ltd.
June 2002	Director of Corporate Planning Department of Kyowa Hakko Kogyo Co., Ltd.
June 2003	President and Chief Operating Officer of Kyowa Hakko Kogyo Co., Ltd.
October 2008	President and Chief Executive Officer of Kyowa Hakko Kirin Co., Ltd. (currently, Kyowa Kirin Co., Ltd.)
March 2012	Senior Advisor of Kyowa Hakko Kirin Co., Ltd.
June 2012	President of Kato Memorial Bioscience Foundation
June 2014	Director of Kubota Corporation (to present)
June 2014	Director of BANDAI NAMCO Holdings Inc. (to present)
June 2015	Director of JSR Corporation (to present)
June 2019	Director Emeritus of Kato Memorial Bioscience Foundation (to present)


Reasons for Nomination as Candidate for Outside Director

Yuzuru Matsuda has extensive experience in managing a comprehensive manufacturer of biotechnology and offers a wide perspective on matters. He is of good character, possesses a high level of knowledge, and has experience as an outside director of other companies. Since his assumption of office as Outside Director of Kubota Corporation in June 2014, he has been actively voicing his views from a managerial perspective at meetings of the Board of Directors, while also playing a proper role with respect to management oversight. He was nominated as a candidate for Outside Director based on the judgment that he has the ability to continue to contribute to strengthening supervisory functions of Kubota Corporation's Board of Directors.

Independence of the Nominee

There is no special interest between Kubota Corporation and Mr. Matsuda. Moreover, Kubota Corporation has no special relationship with Kato Memorial Bioscience Foundation, BANDAI NAMCO Holdings Inc., and JSR Corporation, of which Mr. Matsuda currently holds important posts.

- (Notes)
1. Pursuant to Article 427, paragraph 1 of the Companies Act, Kubota Corporation has entered into an agreement with Mr. Matsuda to limit his liability for damages. The maximum amount of his liability under this agreement is the amount provided for in laws and regulations. Upon the approval of his election pursuant to this proposal and his assumption of office, Kubota Corporation will continue the agreement with him.
 2. Kubota Corporation has reported to the Tokyo Stock Exchange (hereinafter the "TSE") that Mr. Matsuda has been appointed as an Independent Director as defined by the TSE.

No. 7	Reappointment / Independent / Outside Koichi Ina (Date of Birth: May 6, 1948)	
Number of Kubota Corporation's Shares Owned: 18,900 shares		
Tenure as Outside Director: 5 years and 9 months, at the conclusion of this meeting		
Attendance of the Meetings of the Board of Directors: 100% (12 of 12)		

Career Summary, Position and Responsibility at Kubota Corporation, and Important Concurrent Positions

April 1973	Joined Toyota Motor Corporation
January 1998	General Manager of Motomachi Plant Machining Division of Toyota Motor Corporation
June 2000	Division General Manager of Motomachi Plant Administration Division of Toyota Motor Corporation
June 2002	Board of Director of Toyota Motor Corporation
June 2002	Plant Manager, Honsha Plant, Plant Manager, Motomachi Plant of Toyota Motor Corporation
June 2003	Managing Officer of Toyota Motor Corporation
June 2003	General Manager of Global Production Center of Toyota Motor Corporation
June 2004	Plant Manager, Myochi Plant of Toyota Motor Corporation
June 2005	Plant Manager, Takaoka Plant, Plant Manager, Tsutsumi Plant of Toyota Motor Corporation
June 2006	Plant Manager, Miyoshi Plant of Toyota Motor Corporation
June 2007	Senior Managing Director of Toyota Motor Corporation
June 2007	Chief Officer, Production Planning Group, Chief Officer, Manufacturing Group of Toyota Motor Corporation
June 2009	Adviser of Toyota Motor Corporation
June 2009	Executive Vice President of Daihatsu Motor Co., Ltd.
June 2010	President of Daihatsu Motor Co., Ltd.
June 2013	Chairman of Daihatsu Motor Co., Ltd.
June 2015	Director of Kubota Corporation (to present)
June 2016	Advisor to the Board of Daihatsu Motor Co., Ltd.
June 2019	Director of Sansha Electric Manufacturing Co., Ltd. (to present)
July 2020	Chairman of Central Japan Industries Association (to present)


Reasons for Nomination as Candidate for Outside Director

Koichi Ina has extensive experience in managing an automotive manufacturer and offers a wide perspective on matters. He also has deep knowledge in the field of manufacturing as an engineer and from having been engaged in various management positions in plant operations. Since his assumption of office as Outside Director of Kubota Corporation in June 2015, he has been actively voicing his views mainly from a manufacturing perspective at meetings of the Board of Directors, while also playing a proper role with respect to management oversight. He was nominated as a candidate for Outside Director based on the judgment that he has the ability to continue to contribute to strengthening supervisory functions of Kubota Corporation's Board of Directors.

Independence of the Nominee

There is no special interest between Kubota Corporation and Mr. Ina. Moreover, Kubota Corporation has no special relationship with Sansha Electric Manufacturing Co., Ltd., and Central Japan Industries Association, of which Mr. Ina currently holds important posts.

- (Notes)
1. Pursuant to Article 427, paragraph 1 of the Companies Act, Kubota Corporation has entered into an agreement with Mr. Ina to limit his liability for damages. The maximum amount of his liability under this agreement is the amount provided for in laws and regulations. Upon the approval of his election pursuant to this proposal and his assumption of office, Kubota Corporation will continue the agreement with him.
 2. Kubota Corporation has reported to the TSE that Mr. Ina has been appointed as an Independent Director as defined by the TSE.

No. 8	Reappointment / Independent / Outside Yutaro Shintaku (Date of Birth: September 19, 1955)	
Number of Kubota Corporation's Shares Owned: 5,700 shares		
Tenure as Outside Director: 3 years, at the conclusion of this meeting		
Attendance of the Meetings of the Board of Directors: 100% (12 of 12)		

Career Summary, Position and Responsibility at Kubota Corporation, and Important Concurrent Positions

April 1979	Joined Toa Nenryo Kogyo K.K. (currently, JXTG Nippon Oil & Energy Corporation)
January 1999	Joined Terumo Corporation
June 2005	Executive Officer of Terumo Corporation
June 2006	Director and Executive Officer of Terumo Corporation
June 2007	Director and Senior Executive Officer of Terumo Corporation
June 2007	In charge of R&D Center, Intellectual Property Dept. and Legal Dept. of Terumo Corporation
June 2009	Director and Managing Executive Officer of Terumo Corporation
June 2009	General Manager of Strategy Planning Dept., In charge of Human Resources Dept. and Accounting & Finance Dept. of Terumo Corporation
June 2010	President and Representative Director of Terumo Corporation
April 2017	Director and Adviser of Terumo Corporation
June 2017	Corporate Adviser of Terumo Corporation
June 2017	Director of Santen Pharmaceutical Co., Ltd. (to present)
June 2017	Director of J-Oil Mills, Inc. (to present)
June 2017	Executive Trustee of Tonen International Scholarship Foundation (to present)
March 2018	Director of Kubota Corporation (to present)
April 2018	Visiting Professor of Hitotsubashi University Business School
April 2019	Special Professor of Hitotsubashi University Business School (to present)
September 2019	Director of KOZO KEIKAKU ENGINEERING Inc. (to present)

Reasons for Nomination as Candidate for Outside Director


Yutaro Shintaku has experience and a record of accomplishments at having actively promoted global strategy acting as management of a medical device manufacturer. He also offers a wide perspective as outside director of other companies. Since his assumption of office as Outside Director of Kubota Corporation in March 2018, he has been actively voicing his views from a managerial perspective at meetings of the Board of Directors, while also playing a proper role with respect to management oversight. He was nominated as a candidate for Outside Director based on the judgment that he has the ability to continue to contribute to strengthening supervisory functions of Kubota Corporation's Board of Directors.

Independence of the Nominee

There is no special interest between Kubota Corporation and Mr. Shintaku. Moreover, Kubota Corporation has no special relationship with Santen Pharmaceutical Co., Ltd., J-Oil Mills, Inc., Tonen International Scholarship Foundation and Hitotsubashi University Business School, of which Mr. Shintaku currently holds important posts. Although Kubota Corporation has business transactions with KOZO KEIKAKU ENGINEERING Inc., of which Mr. Shintaku currently holds an

important post, the transactions are less than 0.01% of consolidated revenue of Kubota Corporation as well as of KOZO KEIKAKU ENGINEERING Inc.

- (Notes)
1. Pursuant to Article 427, paragraph 1 of the Companies Act, Kubota Corporation has entered into an agreement with Mr. Shintaku to limit his liability for damages. The maximum amount of his liability under this agreement is the amount provided for in laws and regulations. Upon the approval of his election pursuant to this proposal and his assumption of office, Kubota Corporation will continue the agreement with him.
 2. Kubota Corporation has reported to the TSE that Mr. Shintaku has been appointed as an Independent Director as defined by the TSE.

No. 9	New Nomination / Independent / Outside Kumi Arakane (Date of Birth: July 4, 1956)	
Number of Kubota Corporation's Shares Owned: 4,600 shares		
Tenure as Audit & Supervisory Board Member: 2 years, at the conclusion of this meeting		
Attendance of the Meetings of the Board of Directors: 100% (12 of 12) (Note) Attendance as an Outside Audit & Supervisory Board Member		

Career Summary, Position and Responsibility at Kubota Corporation, and Important Concurrent Positions

April 1981	Joined KOBAYASHI KOSÉ COMPANY LIMITED (currently, KOSÉ Corporation)
March 2002	Senior Chief Researcher of R&D Headquarters Advanced Cosmetic Research Laboratories of KOSÉ Corporation
March 2004	General Manager of Product Development Dept. of KOSÉ Corporation
March 2006	Executive Officer of KOSÉ Corporation
March 2006	Deputy Director-General of Marketing Headquarters of KOSÉ Corporation
March 2010	General Manager of R&D Laboratories of KOSÉ Corporation
March 2011	General Manager of Quality Assurance Dept. of KOSÉ Corporation
March 2011	Marketing Supervisor-General of KOSÉ Corporation
June 2011	Director of KOSÉ Corporation
June 2011	In charge of Quality Assurance Dept., Customer Service Center, Purchasing Dept., Product Designing Dept. of KOSÉ Corporation
June 2017	Audit & Supervisory Board Member of KOSÉ Corporation
March 2019	Audit & Supervisory Board Member of Kubota Corporation (to present)
March 2020	Director of Kagome Co., Ltd. (to present)
June 2020	Director of TODA CORPORATION (to present)

Reasons for Nomination as Candidate for Outside Director

Kumi Arakane's career at a cosmetics company provided her with the experience of being involved in corporate management as a Director, as well as being in charge of various areas of business including product development, research, quality control and purchasing. Since her assumption of office as Outside Audit & Supervisory Board Member of Kubota Corporation in March 2019, she has audited the execution of business as well as made significant contributions to the effectiveness of the Board of Directors by voicing her views from various perspectives at meetings of the Board of Directors. She was nominated as a candidate for Outside Director based on the judgment that she will continue to provide suggestions on overall management and has the ability to contribute to strengthening the corporate governance structure of Kubota Corporation.

Independence of the Nominee

There is no special interest between Kubota Corporation and Ms. Arakane. Moreover, Kubota Corporation has no special relationship with Kagome Co., Ltd., and TODA CORPORATION, of which Ms. Arakane currently holds important posts.


(Notes) 1. Pursuant to Article 427, paragraph 1 of the Companies Act, Kubota Corporation has entered into an agreement with Ms. Arakane to limit her liability for damages. The maximum amount of her liability under this agreement is the amount provided for in laws and regulations. Upon the approval of her election pursuant to this proposal and her assumption of office, Kubota Corporation will continue the agreement with her.

2. Kubota Corporation has reported to the TSE that Ms. Arakane has been appointed as an Independent Director as defined by the TSE.
3. Ms. Arakane intends to resign from her position as Audit & Supervisory Board Member of the Company at the conclusion of this meeting.
4. The name of Kumi Arakane in the family register is Kumi Kameyama.

Proposal 2: Election of One Audit & Supervisory Board Member

Upon the approval of Audit & Supervisory Board Member Kumi Arakane’s election as Director pursuant to Proposal 1 and her assumption of office, she intends to resign from her position as Audit & Supervisory Board Member. Kubota Corporation proposes to elect one Audit & Supervisory Board Member to maintain and strengthen the diversity and specialization of the audit system. If this proposal is approved and passed as proposed, three out of the five Audit & Supervisory Board Members will be Outside Audit & Supervisory Board Members.

The candidate for Audit & Supervisory Board Member is as described below. Yuri Furusawa is a candidate for Outside Audit & Supervisory Board Member.

New Nomination / Independent / Outside	
Yuri Furusawa (Date of Birth: July 22, 1963)	
Number of Kubota Corporation’s Shares Owned: 0 shares	

Career Summary and Position at Kubota Corporation, and Important Concurrent Positions

- April 1986 Joined the Ministry of Transport
- December 2000 Administrator of Organisation for Economic Co-operation and Development (OECD)
- July 2004 Director for International Policy Planning, Ministry of Land, Infrastructure, Transport and Tourism
- July 2006 Director for International Affairs and Crisis Management Division, Japan Coast Guard
- July 2008 Counsellor, Cabinet Secretariat (Office of Assistant Chief Cabinet Secretary)
- August 2011 Deputy General Manager of International Sales Department, Shiseido Company, Limited
- July 2014 Assistant Vice-Minister for International Affairs, Ministry of Land, Infrastructure, Transport and Tourism
- September 2015 Vice-Commissioner of Japan Tourism Agency
- June 2016 Councillor, Cabinet Secretariat, Cabinet Bureau of Personnel Affairs
- July 2019 Minister’s Secretariat, Ministry of Land, Infrastructure, Transport and Tourism
- July 2019 Resigned from the Ministry of Land, Infrastructure, Transport and Tourism

Reasons for Nomination as Candidate for Outside Audit & Supervisory Board Member

Yuri Furusawa has experience in Japan and overseas in various roles working for central governmental agencies and possesses a broad perspective and extensive knowledge. Furthermore, she gained global experience through being involved in overseas business development at a company, and she was involved in reforming work styles and promoting the empowerment of women and diversity at the center of the government. Therefore, despite not having been directly involved in corporate management, Kubota Corporation deems that she can contribute to further enhancing its auditing processes with her wide range of experience, through her expert viewpoints and from an independent standpoint, and nominates her as a candidate for Outside Audit & Supervisory Board Member.

Independence of the Nominee

There is no special interest between Kubota Corporation and Ms. Furusawa.

- (Notes) 1. Upon the approval of Ms. Furusawa's election pursuant to this proposal and her assumption of office, Kubota Corporation intends to enter into an agreement with her to limit her liability for damages, pursuant to Article 427, paragraph 1 of the Companies Act. The maximum amount of her liability under this agreement is to be the amount provided for in laws and regulations.
2. Kubota Corporation has purchased directors and officers liability insurance (D&O insurance) for all of the Directors (including Outside Directors) and Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members) as the insured persons. If this proposal is approved as proposed and the election of Ms. Furusawa is approved, she will be covered by the insurance policy.
The insurance policies cover liability of Directors and Audit & Supervisory Board Members arising in the performance of their duties and damage claims received pertaining to the pursuit of said liability. However, there are certain exclusions, such as no coverage for liability arising from actions taken with the knowledge that they were in violation of laws and regulations. Ms. Furusawa is covered by the insurance policy. In addition, Kubota Corporation plans to renew the insurance policy with the above details at the time of renewal in November 2021.
3. Upon the approval of Ms. Furusawa's election pursuant to this proposal and her assumption of office, Kubota Corporation intends to report to the TSE that she has been appointed as an Independent Audit & Supervisory Board Member as defined by the TSE.

(Reference) Management Structure After Approval of Proposals 1, 2 (Planned)

Name	Position	Outside	Areas of specialization and experience							Nomination Advisory Committee	Compensation Advisory Committee
			Experience in corporate management	Innovations/R&D	Sales/Marketing	Manufacturing/Quality control	Legal affairs/Compliance	Finance	Global		
Masatoshi Kimata	Chairman and Representative Director		●		●	●				●	
Yuichi Kitao	President and Representative Director		●	●		●				●	
Masato Yoshikawa	Director and Executive Vice President				●		●	●	●	●	●
Toshihiko Kurosawa	Director and Senior Managing Executive Officer			●	●				●		
Dai Watanabe	Director and Senior Managing Executive Officer			●	●	●		●	●		
Yuzuru Matsuda	Director	●	●	●					●	●	●
Koichi Ina	Director	●	●		●	●				●	●
Yutaro Shintaku	Director	●	●	●				●	●	●	●
Kumi Arakane	Director	●		●	●	●	●			●	●

Name	Position	Outside	Areas of specialization and experience							Nomination Advisory Committee	Compensation Advisory Committee
			Experience in corporate management	Innovations/R&D	Sales/Marketing	Manufacturing/Quality control	Legal affairs/Compliance	Finance	Global		
Toshikazu Fukuyama	Audit & Supervisory Board Member (Full-time)						●	●	●		
Yasuhiko Hiyama	Audit & Supervisory Board Member (Full-time)				●	●	●		●		
Masaki Fujiwara	Audit & Supervisory Board Member	●					●	●	●		▲ (observer)
Yuichi Yamada	Audit & Supervisory Board Member	●					●	●			
Yuri Furusawa	Audit & Supervisory Board Member	●					●		●		

- (Notes)
1. Full-time Audit & Supervisory Board Members will be determined at the Audit & Supervisory Board meeting held after this General Meeting of Shareholders, and Directors with special titles will be determined at the Board of Directors meeting held after that.
 2. The above table, considering each person's experience and other factors, shows the areas in which they have more specialized expertise, and is not an exhaustive list of the areas of expertise that they can offer.
 3. Other than members of the Compensation Advisory Committee in the above table, Mr. Kazuhiro Kimura, a Senior Managing Executive Officer, also serves as a member of that committee.

(Reference) Policy for Nomination of Candidates for Director and Audit & Supervisory Board Member

Policy for Nomination of Candidates for Directors

In its wide-ranging business domains encompassing the areas of food, water, and the environment, Kubota Corporation aims to bring about sustainable growth and increase corporate value on a Group-wide basis, thereby engaging in appropriate decision-making and supervising operations. To such ends, Kubota Corporation nominates persons from inside the Company who have a wide perspective and extensive experience relating to the Company's business management, and nominates persons from outside the Company who have a practical and objective perspective along with deep knowledge, having satisfied requirements for an independent officer as stipulated by the TSE and requirements of the independence criteria set forth by the Company.

Regarding the composition of the Board of Directors, Kubota Corporation works to ensure diversity in terms of business area, knowledge, experience, field of specialization, and so forth while maintaining an appropriate number of members to enable effective discussions.

In accordance with above policy and the rules governing the Board of Directors, candidates for Director shall be resolved at the meeting of the Board of Directors after they have been deliberated on in the Nomination Advisory Committee.

Policy for Nomination of Candidates for Audit & Supervisory Board Member

In order to ensure Audit & Supervisory Board Members' role of auditing and supervising is carried out appropriately, the individuals nominated to serve as Audit & Supervisory Board Members have diverse experience, knowledge, specialization and insight. When considering the composition of the Audit & Supervisory Board, Kubota Corporation nominates a group of individuals with one who has a suitable degree of knowledge and experience pertaining to accounting and finance, and whose majority of members fulfill the requirements of an independent officer stipulated by the TSE.

In accordance with above policy and the Regulations of the Audit & Supervisory Board, candidates for Audit & Supervisory Board Member shall be decided with the agreement of the Audit & Supervisory Board.

Independence Criteria for Outside Directors

Kubota Corporation has established the Independence Criteria for Outside Directors, considering laws and regulations, and provisions of the TSE, among other regulations, to ensure transparency and objectivity in the governance of the Company. Kubota Corporation shall deem that an Outside Director does not satisfy independence from the Company if any of the following items applies to that person.

1. A person who is an executive* of the Company, or who was such an executive within the 10-year period prior to the appointment as Outside Director.

* The term "executive" herein refers to an executive defined as a person who executes business in Article 2, paragraph 3, item 6 of the Ordinance for Enforcement of the Companies Act. It includes executive director, executive officer (*shikkoyakuin*) and employee who executes business, but it does not include audit & supervisory board member.

2. A person who is an Audit & Supervisory Board Member of the Company (excluding Outside Audit & Supervisory Board Member) or who was such an Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member) for the past ten years before his/her appointment.
3. A major business partner of the Company*, or an executive of such an organization.

* The term “major business partner of the Company” herein refers to a business partner such as a major purchaser of the Company’s goods and services in the recent three fiscal years, whose amount of trade with the Company in that fiscal year exceeded 2% of the consolidated revenue of the Company for the same fiscal year.

4. An organization whose major business partner is the Company*, or an executive of such an organization.

* The term “organization whose major business partner is the Company” herein refers to an organization of which the Company is a business partner such as a major purchaser of its goods and services (e.g. a supplier to the Company) in the recent three fiscal years, and the amount of trade with the Company in that fiscal year exceeded 2% of the consolidated revenue of the organization for the same fiscal year.

5. A major lender to the Company*, or an executive of such an organization.

* The term “major lender to the Company” herein refers to a financial institution from whom the Company has obtained loans in the recent three fiscal years, and the outstanding amount of the loans from the lender at the end of that fiscal year exceeded 2% of the consolidated total assets of the Company thereat.

6. A consultant, accounting professional or legal professional who has received economic benefits for services exceeding ¥10 million annually other than remuneration as an officer from the Company in the recent three fiscal years (or, in the case where the receiver of such benefits was an organization such as a corporation or partnership, a person affiliated with such an organization).

7. A major shareholder of Kubota Corporation*, or if the major shareholder is a corporation, an executive of such a corporation.

* The term “major shareholder of Kubota Corporation” herein refers to a shareholder who holds more than 10% of Kubota Corporation’s shares on a voting-right ownership basis at the end of the relevant fiscal year, regardless of whether the shares are held in the shareholder’s own name or in another name.

8. A director, audit & supervisory board member, accounting advisor, executive officer (*shikkoyaku*) or executive officer (*shikkoyakuin*) of a corporation with a relationship with the Company concerning mutual outside director appointments.

9. A receiver of endowments of economic benefits exceeding ¥10 million annually from the Company in the recent three fiscal years (or, in the case where the receiver of such endowments was an organization such as a corporation or partnership, an executive of such an organization).

10. A spouse or a relative within two degrees of kinship of a person (limited to persons of important position*) set forth in above items 1 to 9.

* The term “person of important position” herein refers to a director, executive officer (*shikkoyaku*), executive officer (*shikkoyakuin*) or any person holding a position equivalent thereto.

Proposal 3: Revision of the Amount of Remuneration for Directors

At the 128th Ordinary General Meeting of Shareholders held on March 23, 2018, approval was obtained, and still stands, for the amount of basic remuneration, etc. for the Directors of Kubota Corporation of ¥510 million or less per year (including ¥60 million or less per year for the Outside Directors).

At this General Meeting of Shareholders, Kubota Corporation is submitting Proposal 1 “Election of Nine Directors,” calling for an increase in the number of Outside Directors in order to reinforce the supervisory functions of the Board of Directors (strengthening corporate governance). In addition, Kubota Corporation would like to leave the amount of basic remuneration, etc. for the Directors unchanged at ¥510 million or less per year, an amount deemed to be appropriate, while revising the amount of basic remuneration, etc. for the Outside Directors to ¥80 million or less per year, taking into consideration factors such as the notion that the Outside Directors will have increasingly greater responsibilities and roles expected of them going forward.

As before, in the case of persons concurrently serving as employees and Directors, the amount of basic remuneration, etc. for the Directors will not include the employee salary portion.

Currently there are nine Directors (including three Outside Directors), but if Proposal 1 “Election of Nine Directors” is approved and passed as proposed, there will be nine Directors (including four Outside Directors).

Proposal 4: Bonus Payments for Directors

Kubota Corporation proposes to pay Directors' bonuses (¥302.5 million), an amount deemed to be appropriate, for six Directors (excluding Outside Directors) in office as of December 31, 2020, in consideration of results of operations for the fiscal year ended December 31, 2020.

The amount payable for each Director shall be decided by the Board of Directors after the matter has undergone deliberation by the Compensation Advisory Committee.

ATTACHMENT TO THE CONVOCAION NOTICE FOR THE 131ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

BUSINESS REPORT FOR THE 131ST PERIOD (FROM JANUARY 1, 2020 TO DECEMBER 31, 2020)

1. Item of Overview of Its Operations

(1) Review of Operations

1) General Condition of Kubota Corporation and Subsidiaries

The entire Kubota Corporation and its subsidiaries (hereinafter, the “Company”) endeavored to secure business results and significantly increased retail sales from dealers to end customers in North America. However, both revenue and profit decreased mainly due to carryover of wholesales to the next fiscal year caused by delay in production along with the infection spread of COVID-19.

For the year ended December 31, 2020, revenue of the Company decreased by ¥66.8 billion [3.5%] from the prior year to ¥1,853.2 billion. In the domestic market, revenue in Farm & Industrial Machinery decreased mainly due to some negative impacts of the infection spread of COVID-19 and the consumption tax hike in the fiscal 2019. In addition, revenue in Water & Environment decreased due to a decrease in sales of environment-related products and products for private sector such as plastic pipes. In overseas market, revenue in Farm & Industrial Machinery decreased significantly mainly due to delay in production and shipment, while demand caused by stay-at-home lifestyle increased along with the infection spread of COVID-19. In addition, revenue in Water & Environment decreased slightly. As a result, overseas revenue accounted for 67.9% of consolidated revenue, which increased by 0.5 percentage points from the prior year.

Operating profit decreased by ¥26.4 billion [13.1%] from the prior year to ¥175.3 billion. Operating profit in Farm & Industrial Machinery decreased mainly due to a deterioration in profitability in its manufacturing bases resulting from a temporary suspension of production and a reduction in production volume, as well as decreased revenue in the domestic and overseas markets and a negative effect from the yen appreciation, although there were some positive effects such as raised product prices and declined interest rates in the United States. Operating profit in Water & Environment also decreased mainly due to decreased revenue. Profit before income taxes decreased by ¥23.1 billion [11.1%] from the prior year to ¥185.9 billion mainly due to decreased operating profit. Income tax expenses were ¥47.0 billion. Share of profits of investments accounted for using the equity method was ¥2.5 billion. Profit for the year decreased by ¥17.7 billion [11.1%] from the prior year to ¥141.4 billion. Profit attributable to owners of the parent decreased by ¥20.5 billion [13.8%] from the prior year to ¥128.5 billion.

2) Review of Operations by Reportable Segments

(a) Farm & Industrial Machinery

Farm & Industrial Machinery is comprised of farm equipment, agricultural-related products, engines, and construction machinery.

Revenue in this segment decreased by 3.2% from the prior year to ¥1,508.8 billion, and accounted for 81.4% of consolidated revenue.

Domestic revenue decreased by 4.4% from the prior year to ¥292.9 billion. Sales of farm equipment decreased significantly mainly due to adverse reaction from rushed demand before the consumption tax hike and voluntary restraint of sales activities along with the infection spread of COVID-19.

Overseas revenue decreased by 2.9% from the prior year to ¥1,215.9 billion. In North America, retail sales from dealers to end customers were extremely strong mainly due to

solid demand after April and a positive effect from introduction of new models. However, wholesales of construction machinery and tractors decreased due to carryover of wholesales to the fiscal 2021 resulting from delay in production along with the infection spread of COVID-19. As a result, dealer inventory level significantly declined. In addition, sales of engines also decreased significantly mainly due to a negative impact of inventory adjustments by OEM clients. In Europe, sales of engines, construction machinery, and tractors decreased mainly due to some negative effects from temporarily suspended business by dealers and a reduction in production of OEM clients for engines along with the infection spread of COVID-19. In Asia outside Japan, wholesales of tractors in Thailand decreased due to a negative impact of inventory adjustments, while retail sales increased slightly due to a recovery in the second half of the year caused by favorable rainfall in the rainy season. On the other hand, sales of engines and farm equipment in China increased due to recovered demand after resumption of economic activities. In addition, sales of farm equipment in India increased as well. As a result, revenue in Asia outside Japan increased from the prior year.

(b) Water & Environment

Water & Environment is comprised of pipe- and infrastructure-related products (ductile iron pipes, plastic pipes, valves for public sector, industrial castings, ceramics, spiral-welded steel pipes, air-conditioning equipment, and other products) and environment-related products (environmental control plants, pumps, valves for private sector, and other products).

Revenue in this segment decreased by 4.3% from the prior year to ¥315.8 billion, and accounted for 17.0% of consolidated revenue.

Domestic revenue decreased by 4.8% from the prior year to ¥274.0 billion. Revenue in pipe- and infrastructure-related products decreased due to a decrease in sales of plastic pipes, industrial castings, spiral-welded steel pipes, and air-conditioning equipment, mainly for private sector along with the infection spread of COVID-19, while sales of ductile iron pipes and construction business increased. Revenue in environment-related products decreased due to the completion of construction of waste disposal and treatment facility in Futaba Town, Fukushima Prefecture, which was a large-scale project.

Overseas revenue decreased by 1.0% from the prior year to ¥41.8 billion due to decreased sales of environment-related products, while sales of ductile iron pipes and industrial castings increased.

(c) Other

Other is mainly comprised of a variety of services.

Revenue in this segment decreased by 9.3% from the prior year to ¥28.7 billion, and accounted for 1.6% of consolidated revenue.

(2) Initiatives of the Company Going Forward

The Company's long-term goal is to become a Global Major Brand, or in other words a brand that can make the greatest social contribution as a result of being trusted by the largest number of customers. In order to accelerate the realization of this goal, the Company has created its long-term vision for 10 years from now, "GMB2030" and held up "Essentials Innovator for Supporting Life", Committed to a Prosperous Society and Cycle of Nature as what the Company should be. The Company aims to achieve sustainable development over the long-term by making the greatest contribution to realization of a sustainable society through solutions to enhance the productivity and safety of food, solutions to promote the circulation of water resources and waste, and solutions to improve urban and living environments. The Company will carry out the following priority measures in order to complete the establishment of the foundation for the realization of GMB2030 by 2025.

1) Shift to Business Operations That Position ESG at the Core of Management

The Company will place more emphasis on ESG than ever through its business activity in order to continue to be a sustainable company, as corporate social responsibility has become heavier and heavier. However, as a company that operates in the area of food, water and the environment and engages in reducing environmental impact and solving social problems through its business, the Company aims to increase its existence value by materializing business-related activities rooted in the Kubota Global Identity (corporate principles) in addition to general initiatives linked to ESG.

The Company has established an organization under the direct control of its President to accelerate and strengthen these initiatives. The new organization will raise awareness of ESG throughout its Group and control various measures. In addition, the Company will make efforts to gain empathy and participation from all stakeholders for the Group's business and promote its own unique ESG initiatives by expanding and strengthening internal and external communications. As one of the most important themes that the Company will focus on, the Company aims to achieve carbon neutral by 2050. The Company aims to draw a blueprint by 2025 for achieving carbon neutral by establishing a new division to promote the initiative.

2) Initiatives to Secure Candidates of Growth Drivers for the Next Generation

To realize GMB2030, the Company will select development and business themes from a long-term perspective and allocate business resources organizationally and in a planned manner. In order to create innovations, the Company will quickly build organizational structure and the management operation including the process from selection of themes to commercialization, and aims to secure multiple business models, products, services, and market candidates that become the growth drivers in the next generation by 2025. Furthermore, the Company will develop into a sustainable company that can adapt to changes and grow dramatically by commercializing them over the next 5 years.

3) Promotion of Business Strategies That Take Advantage of Growth Opportunities

In order to take on the challenge of realizing GMB2030, it is essential that existing businesses win the admiration in the market and continue to grow steadily. Each business division will strongly implement necessary measures based on their scenarios for strengthening and growing businesses. In particular, the Company will position construction machinery business in North America and machinery businesses in ASEAN countries, which the Company has not entered or developed yet, and after-sales business such as after-market business of Farm & Industrial Machinery, environmental O&M business, and pipeline solutions as growth drivers for the future. The Company will steadily grow existing businesses by preferentially allocating business resources to them.

4) Improvement of Profit Structure by Strengthening the Business Foundation in the Mid-term

In order to engage in Kubota's own unique ESG initiatives and realize GMB2030, it is necessary to invest in intangible assets such as intellectual property, human resources, and promotion of DX in addition to investments related to ESG such as countermeasures for various disaster risks, enhancement of workplace environment, and improvement of human safety and products quality. The Company will generate capital through growing profitable businesses steadily, building profitable business structure, and streamlining business operations thoroughly to carry out these investments without a decline in profit margin.

5) Infrastructure Development That Supports Sustainable Growth

As infrastructure development that supports sustainable growth, the Company will promote reform of a business operation structure, initiatives to securing and utilizing human resources, and strengthening risk management.

With respect to the reform of a business operation structure, the Company aims to transform operation structure in response to globalization. The Company will promote to reform production and procurement layout and build a management control system that the Company can appropriately grasp and manage global businesses.

With respect to initiatives to securing and utilizing human resources, considering the globalization along with business expansion, the Company will develop education system so that all employees perform at a higher level and implement concrete measures to make it possible to cultivate employees for sure in the actual operations. In addition, the Company have launched a new project to address the various issues that have emerged from COVID-19. The project will focus not only on work style reform but also on reform to realize rewarding work environment. Furthermore, the Company will also promote active appointment of local human resources and the development of human resources who are capable of playing an active role in the global operation.

With respect to strengthening risk management, while risks that threaten business continuity have diversified in recent years, the Company aims to develop and expand its organization that actively develop countermeasures for BCP in response to natural disasters, pandemics, and geopolitical risks and responses to various risks, such as compliance risks, cyber security risks, and other business risks.

6) Promotion of DX as a Common Theme

The Company will bring about innovation to “products, services, and production sites,” “business processes,” and “communications and collaborations” by developing and utilizing a platforms that is the foundation for DX, such as ICT technology, big data, 5G, and AI. The Company ensure the promotion of the aforementioned five priority measures by promotion of DX.

7) Issues Upon Which the Company Should Implement Countermeasures

(Actions for the health hazard of asbestos)

The Company will continuously cope with this issue faithfully from the view point of Corporate Social Responsibility as one of manufacturers that once manufactured asbestos-containing products.

Initiatives to date

- Relief payment

The Company has established “Relief Payment System for the Asbestos-Related Patients and the Family Members of the Deceased near the Former Kanzaki Plant” on April 17, 2006 and paid the relief payments to 355 parties up to December 31, 2020.

- Support for medical research on asbestos-related diseases

The Company has made the decision to furnish financial support for treatment and research regarding asbestos-related diseases carried out by Hyogo College of Medicine and Otemae Hospital. The support will amount to a total of ¥550 million over the five-year period from 2018 to 2022, of which the Company has paid its portion of the contribution earmarked for fiscal year 2020.

Last year, COVID-19 spread all over the world and there are still no signs of an end. The Company has been in an environment that no one has ever experienced before, and there were significant changes not only in the business environment but also in the lifestyle of individuals. Even under such uncertain circumstances, its customers all over the world necessitate the Company’s businesses, which support vital social infrastructure related to food, water, and the environment, as essential businesses. While these facts have taught the Company its strengths, the Company has reconfirmed that it is important mission to continue to meet the needs of society steadily under any circumstances.

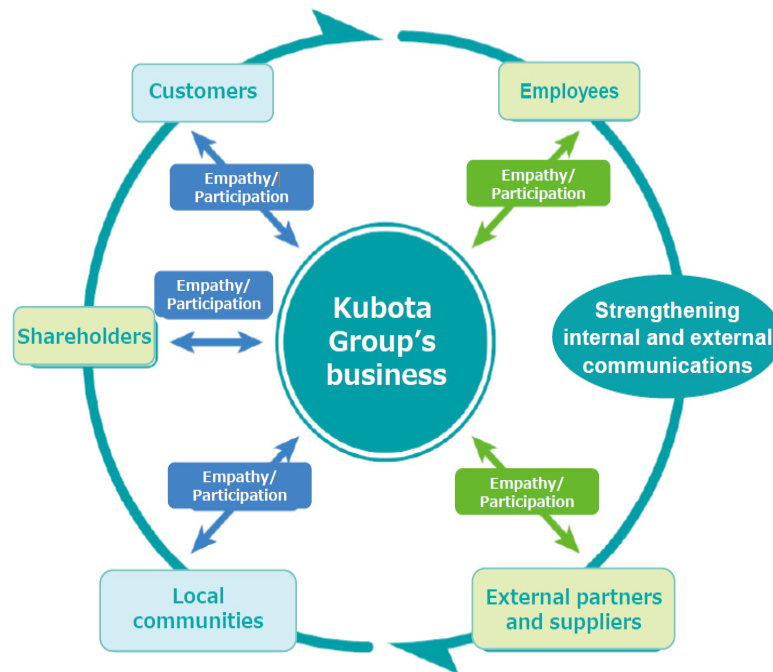
As society undergoes major changes triggered by the COVID-19 and environment- and social-friendly corporate activities become increasingly important, the Company aims long-term growth and further increase in corporate value by shifting to business operations that position ESG at the core of management and engaging with all stakeholders of the Group sincerely.

The Company earnestly looks forward to the continuing support from the Company's shareholders.

(3) ESG (Environment, Society, Governance)

KESG Management

To accelerate and strengthen the promotion of the Kubota Group's original ESG, the Company established the "ESG Management Strategy Committee" and "ESG Promotion Department," and to increase awareness of ESG throughout the Group, the Company is promoting various measures and developing Kubota's original ESG activities, which include strategic communications outside the Company.



G: Initiatives on Governance

(Basic Policy for Corporate Governance)

The Company has designated "long-term and stable growth of corporate value" as its highest management priority. To realize this aim, the Company considers enhancement of the satisfaction of all the company's stakeholders and improvement of overall corporate value, while balancing economic value, social value, and corporate value, to be important. Especially, in order to achieve the long-term objectives of building "Global Major Brand Kubota" on the basis of its corporate philosophy "Kubota Global Identity," the Company must be an enterprise that is trusted not just in Japan but also worldwide. In order to enhance the soundness, efficiency, and transparency of management, which are essential to earn trust, the Company is striving to strengthen its corporate governance.

To increase the confidence and understanding by shareholders, investors, and society, the Company will make accurate and timely disclosures of corporate information, such as results of operations on a quarterly basis and management policies, and fulfill its responsibilities for transparency and accountability in corporate activities.

(Basic Strategy for Capital Policy)

The Company's basic strategy for capital policy is to fully utilize capital in order to improve profitability, maintain an adequate level of capital to support future business expansion, and work to further enhance shareholder returns. The Company will strive to sustainably enhance shareholder value with the well-balanced promotion of the three aforementioned policies.

(Policy on Decision of Appropriation of Surplus)

The Company's basic policy for the returns of profit to shareholders is to maintain stable dividends and raise dividends together with flexible share buy-backs and retirement of treasury shares. The Company recognizes appropriate returns of profit to shareholders is one of the most important management issues and will strive to expand it going forward, considering requirements of maintaining sound business operations as well as adapting to the future business environment.

Under this basic policy, the Company sets its total consolidated shareholder return ratio target, which is composed of dividends, share buy-backs and retirement of treasury shares, at 40% or more, and will aim for its further increase.

The Company decided at the meeting of the Board of Directors held on February 15, 2021 that it would pay ¥19 of the year-end dividend per common share commencing its payment on March 22, 2021. As a result, including the interim dividend of ¥17 per common share already paid, the annual dividend per common share for the year ended December 31, 2020 is ¥36.

For more detailed information regarding the status of initiatives on governance, please refer to pages 41 through 55.

E: Commitment to the Environment

The Group will contribute to the achievement of a sustainable society by engaging in environmental management practices under its brand statement "For Earth, For Life."

Environmental Vision

While challenging to achieve zero environmental impact, we will contribute to realizing a carbon-neutral and resilient society in the fields of "food, water, and the environment."

The world is moving toward "decarbonization" at an accelerating pace. Economic development and population growth will lead to increased demand for water and depletion of resources. Delays in responding to these social issues can pose a risk to business activities. As the Group considers climate change and environmental conservation activities to be material issues (priority issues), the Group has established the "Environmental Vision," which indicates the direction of our business activities toward 2050 from an environmental perspective, and has formulated medium- to long-term environmental conservation targets in order to achieve that vision.

Long-Term Environmental Conservation Targets 2030 (excerpt)

Increase the sales ratio of Eco-Products-certified-products* to 80% or more

* Environment-friendly products that satisfy the Group's internal standards.

Improve operating fuel efficiency

Large farming tractor 20% or more (compared to the base year 2013)
3-ton compact excavator (for Japan) 25% or more (compared to the base year 2018)

Medium-Term Environmental Conservation Targets 2025 (excerpt)

Global production sites (compared to the base year 2014)

Improve CO₂ emissions per unit of production by 25%
Improve waste discharge per unit of production by 21%
Improve water consumption per unit of production by 22%

(Expanding Environment-friendly Products and Services)

The Group believes that reducing environmental impact of products, by conforming to environmental regulations and suppressing greenhouse gas emissions during use of products, can contribute to expansion of business. The Group promotes environment-friendliness over the entire product life cycle, and has been striving to purify exhaust gas, improve operating fuel efficiency and implement other initiatives.

(Global Environmental Activities and External Evaluation)

Supporting the recommendations* of the Task Force on Climate-related Financial Disclosures (TCFD), and promoting action to tackle climate change

* Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for the voluntary disclosure by companies of the status of tackling climate change and its impacts on business, etc.

For CDP Water Security Program 2020*, obtained the highest-rating (A-List) for two consecutive years and third time overall

* A program that investigates and evaluates companies' business risks and opportunities, strategies, etc. related to water through an international non-profit organization.

- For more details on the Group's environmental conservation activities, please visit our website

<https://www.kubota.com/sustainability/environment/index.html>

S: Involvement with Society

(a) Constructive Dialogue with Shareholders

The Company promotes constructive dialogue with shareholders and investors in order to sustain corporate growth and improve corporate value in the mid to long term. The Company holds results briefings for domestic and foreign institutional investors, company information sessions for individual investors, and factory tours. Going forward, the Company will continue to actively engage in dialogue with all stakeholders.

(Dialogue with Individual Shareholders)

During the fiscal year ended December 31, 2020, the Company held a strawberry-picking event at "Gakko-Ichigoen Saitakami," which is managed by Chushikoku KUBOTA Corporation, and a chopstick-making workshop at "NAKAYOSHI Library" in the neighboring school building. While strictly adhering to measures to prevent the spread of COVID-19, about 60 shareholders participated in the events. The participants were able to feel firsthand the Company's business aspirations of revitalizing regions through a new sustainable agricultural management model.

(Dialogue with Institutional Investors and Analysts)

The Company has approximately 300 individual and group meetings per year with institutional investors and analysts. In addition, the Company holds a new product exhibition and a briefing on business operations in January, a results briefing for the year-end in February, and a results briefing for the first half in August. Furthermore, the Company makes timely disclosure of its financial and other information in Japanese and English. Moreover, in accordance with the intent of fair disclosure rules, the Company is working on early and fair disclosure of information by releasing on the corporate website the supplementary information for results for each quarter on the day of the announcement of financial results, as well as posting the details of explanations and Q&A summaries from the results briefings for the first half and year-end.

In 2020, we will enhance the contents of the disclosed supplementary information for financial results, disclose the specific impacts of the spread of COVID-19 on the Group and carry out other measures in order to promote further understanding of Kubota Corporation's business.

(b) Ties with Our Local Communities

Kubota Group respects the cultures and customs of each country and region in which it conducts business, and endeavors to establish relationships of trust with local communities. Moreover, we proactively engage in activities geared to fulfilling our responsibilities as a corporate citizen.

(Kubota e-Project)

In an effort to contribute to society in the areas of food, water and the environment, the Company commenced the "Kubota e-Project" in FY 2008.

The Company engages in social contribution activities geared to contributing to the creation of a sustainable society, premised on its promises that it will keep supporting prosperous lives of humans while protecting the environment of this beautiful earth.

- For Developing the Next Generation -

◆ Visiting lectures (Japan)

The Company has hosted visiting lectures on subjects such as the "Relationship Between Kubota and SDGs" and "Agriculture in the Present and the Future" at schools and events throughout Japan.

2020 results: Ten junior high schools and high schools (approximately 700 students)

◆ Kubota Active Lab 2020—Asahi Friendly Science Classroom (Japan)

The Company contributes to society in the area of education to provide opportunities for the younger generation to become interested in the science and technology field. This year, under the theme of "The Effect of Technology on the Future of Sports," a lecture and talk session were held. Approximately 170 junior high school and high school students attended online and were able to exchange ideas with the lecturers during a question and answer session.

◆ Donating books for children (China)

Kubota Agricultural Machinery (Suzhou) Co., Ltd. (China) donates books for children to provide the children in its neighborhoods with opportunities to read books.

Donation results: 144 books in 2017, 220 books in 2018 and 399 books in 2019

- For the Better Environment -

◆ Kubota Forest (Japan)

The Company approved of the "Plan to Implement a Water Source Forest Created by Everyone," which was formulated by the Tokyo Waterworks Bureau in order to respond to

the urgent issue faced by the forest in the upper river basin of the Tama River, and concluded the “Tokyo Waterworks Bureau ~ Company Forest” agreement.

With this agreement, the Company was offered a portion of forest in a drinking water catchment area (approx. 3 ha) and named it as “Kubota Forest,” and is creating a forest through forest conservation work experience, etc.

◆ Cooperation in rural community development programs (India)

Kubota Agricultural Machinery India Pvt. Ltd. has a cooperative arrangement with a local Rotary Club to regenerate wells for household water use, and to install facilities for water treatment to produce potable water.

(c) Creating a Lively Workplace

As a business group operating on a global scale, the Company considers recognizing diverse values and ways of thinking and having multiple viewpoints as essential for its sustainable growth and consequently promotes initiatives to derive creativity from diversity.

(Creating Employment and Supporting the Creation of Working Environments for Persons with Disabilities)

Kubota Group is engaged in the employment of persons with disabilities aimed at self-reliance support mainly at its special subsidiaries (Kubota Works Co., Ltd., Kubota Sun-Vege Farm Co., Ltd.). The Group works to create employment by proactively hiring persons with disabilities for work including cleaning operations and outsourced clerical work at its business sites and affiliates, and safely and securely growing vegetables through hydroponic cultivation for use in and sales at company cafeterias.

(Initiatives to Support Raising Next-Generation Children)

The Company has implemented systems to support balancing work with childcare and nursing care regardless of gender. The systems, which include “family support leave” to meet the childcare and nursing care needs of families and “short working hours” and “shifting working start and end times” for families until their children graduate from elementary school, are reviewed each year to ensure that they are easy for employees to use.

In addition, The Company introduced an “I-turn, leave, re-entry system” aimed at preventing employees from leaving Kubota due to the transfer of their spouse, promoting employee retention and maintaining the motivation to continue working.

(Initiatives Aimed at Workstyle Reform)

The “Workstyle Reform Promotion Project Team (HK-PT),” formed in 2018, has promoted activities to reduce and improve operations by allowing employees to “visualize operations” using IT, until its disbandment in June 2020.

During that time, a total of 409 employees from 26 corporate staff departments at the head office and Sakai Plant worked to identify and visualize 38,397 work operation items. For these visualized work operation items, the Company devised and implemented operation improvements for a total of 15,809 items, including 2,930 items for operations that were eliminated, resulting in an expected annual reduction in work time per person of 264 hours and 50 minutes, which is 25.7% on a percentage basis.

As the period for these activities in each department was just one year, a 25.7% improvement in work operations in such a short time represents a significant achievement.

Because the Company had proceeded with measures to eliminate the use of paper, eliminate or reduce seal requirements, and share information and hold meetings online using Google tools as the key areas of improvement, the Company was able to transition to working from home relatively smoothly even when working at the office and business trips were restricted due to the COVID-19 pandemic in 2020.

In addition, the Company launched the Kubota Operation Transforming Project Team (KOX-PT) in July 2020 under the themes of “making workplace more comfortable and improving work motivation” through the creation of an environment that can maximize employees’ performance, and of “strengthening its systems” by improving productivity in office departments. Amid requests for different workstyles triggered by the COVID-19 pandemic, the Company will pursue workstyles suited for the “new normal.”

(Initiatives Related to Sexual Minorities Including LGBT)

Working to create a workplace where diverse personnel can thrive regardless of sexual orientation or gender identity, in FY 2020, the Company won “Silver” rating in the “PRIDE Index” for LGBT-related internal corporate initiatives created by the voluntary association “work with Pride.”

Since December 16, 2020, the definition of spouse has included same-sex and common-law partners, which allows those partners to use company systems and benefit programs.

(4) The Financial Position and the Results of Operations

1) Consolidated Financial Summary

(IFRS)

Fiscal period (Business term)	Year ended December 31, 2017 (128th)	Year ended December 31, 2018 (129th)	Year ended December 31, 2019 (130th)	Year ended December 31, 2020 (131st)
Revenue (in billions of yen)	1,751.0	1,850.3	1,920.0	1,853.2
Operating profit (in billions of yen)	200.0	189.3	201.7	175.3
Profit before income taxes (in billions of yen)	214.0	197.2	209.0	185.9
Profit attributable to owners of the parent (in billions of yen)	134.2	138.6	149.1	128.5
Earnings per share attributable to owners of the parent—Basic (in yen)	108.45	112.44	121.59	105.85
Total assets (in billions of yen)	2,832.4	2,895.7	3,139.3	3,189.3
Total equity (in billions of yen)	1,375.6	1,426.4	1,537.2	1,574.2
Equity attributable to owners of the parent (in billions of yen)	1,291.1	1,339.9	1,442.8	1,476.0
Equity attributable to owners of the parent per share (in yen)	1,046.55	1,087.44	1,182.72	1,221.95
Ratio of profit attributable to owners of the parent to equity attributable to owners of the parent (%)	10.8	10.5	10.7	8.8

(U.S. GAAP)

Fiscal period (Business term)	Year ended December 31, 2017 (128th)
Revenues (in billions of yen)	1,751.5
Operating income (in billions of yen)	198.8
Income before income taxes and equity in net income of affiliated companies (in billions of yen)	212.9
Net income attributable to Kubota Corporation (in billions of yen)	136.4
Net income attributable to Kubota Corporation per common share—Basic (in yen)	110.30
Total assets (in billions of yen)	2,853.9
Total equity (in billions of yen)	1,385.4
Kubota Corporation shareholders' equity (in billions of yen)	1,301.3
Kubota Corporation shareholders' equity per common share (in yen)	1,054.86
Ratio of net income attributable to Kubota Corporation to shareholders' equity (%)	10.9

(Notes) 1. The consolidated financial statements of the Company have been prepared in accordance with IFRS effective from the 129th business term. Financial statements for fiscal years predating the application of IFRS were prepared in accordance with U.S. GAAP.

2. Amounts less than presentation units are rounded.

2) Financial Summary (Non-consolidated)

Fiscal period (Business term)	Year ended December 31, 2017 (128th)	Year ended December 31, 2018 (129th)	Year ended December 31, 2019 (130th)	Year ended December 31, 2020 (131st)
Net sales (in billions of yen)	844.1	885.3	897.5	865.5
Operating income (in billions of yen)	82.1	48.4	25.1	11.0
Ordinary income (in billions of yen)	127.4	90.7	57.0	53.7
Net income (in billions of yen)	95.4	73.8	58.2	69.0
Net income per common share— Basic (in yen)	77.12	59.92	47.51	56.84
Total assets (in billions of yen)	1,181.5	1,171.2	1,166.2	1,238.8
Total net assets (in billions of yen)	619.0	626.7	622.5	609.7
Net assets per common share (in yen)	501.66	508.51	510.16	504.64

- (Notes)
1. Amounts less than presentation units are rounded down.
 2. Kubota Corporation adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" and relevant Guidance from the 130th business term. To reflect the impact of these changes, Kubota Corporation has retrospectively adjusted the amounts for the 129th business term.
 3. "Gain on sales of investment securities" previously presented as non-operating income is presented as "Extraordinary income" from the 131st business term. To reflect the impact of this change, Kubota Corporation has retrospectively adjusted the amount for the 130th business term.

(5) Main Offices and Factories, and Material Affiliates

1) Kubota Corporation (As of December 31, 2020)

	Business name	Location
Offices	Head Office Tokyo Head Office Hokkaido Regional Office Tohoku Regional Office Chubu Regional Office Chushikoku Regional Office Kyusyu Regional Office Hanshin Office Yokohama Branch Shikoku Sales Office	Osaka (Osaka) Chuo-ku (Tokyo) Sapporo (Hokkaido) Sendai (Miyagi) Nagoya (Aichi) Hiroshima (Hiroshima) Fukuoka (Fukuoka) Amagasaki (Hyogo) Yokohama (Kanagawa) Takamatsu (Kagawa)
Plants	Sakai Plant Hirakata Plant Utsunomiya Plant Tsukuba Plant Sakai-Rinkai Plant Hanshin Plant Keiyo Plant Ichikawa Plant Shiga Plant Okajima Business Center Kyuhoji Business Center	Sakai (Osaka) Hirakata (Osaka) Utsunomiya (Tochigi) Tsukubamirai (Ibaraki) Sakai (Osaka) Amagasaki (Hyogo) Funabashi (Chiba) Ichikawa (Chiba) Konan (Shiga) Osaka (Osaka) Yao (Osaka)

2) Material Affiliates (As of December 31, 2020)

Business name	Location	Common stock	Percentage of investment shares (%)	Principal business activity	
(Subsidiaries)					
Japan	Kubota Credit CO., LTD.	Osaka, Japan	¥ 0.5 billion	77.8 [22.9]	Retail financing to purchasers of farm equipment and related products
	Kubota ChemiX Co., Ltd.	Osaka, Japan	¥ 3.1 billion	100.0	Manufacturing and sales of plastic pipes and fittings
North America	Kubota North America Corporation	U.S.A.	US\$ 597 million	100.0	Administration of subsidiaries in North America
	Kubota Tractor Corporation	U.S.A.	US\$ 37 million	100.0 [100.0]	Sales of tractors, outdoor power equipment, construction machinery and implements
	Kubota Credit Corporation U.S.A.	U.S.A.	US\$ 8 million	100.0 [90.0]	Retail financing to purchasers of tractors, outdoor power equipment, construction machinery and implements
	Kubota Manufacturing of America Corporation	U.S.A.	US\$ 10 million	100.0 [100.0]	Manufacturing of tractors and outdoor power equipment
	Kubota Industrial Equipment Corporation	U.S.A.	US\$ 70 million	100.0 [100.0]	Manufacturing of tractors and implements, construction machinery
	Kubota Engine America Corporation	U.S.A.	US\$ 10 million	100.0 [100.0]	Sales, engineering and after-sales service of engines, engine parts and engine accessories
	Great Plains Manufacturing, Inc.	U.S.A.	US\$ 0.1 million	100.0 [100.0]	Manufacturing and sales of implements
	Kubota Canada Ltd.	Canada	Can\$ 6 million	100.0	Sales of tractors, outdoor power equipment, construction machinery and implements
Europe	Kubota Holdings Europe B.V.	Netherlands	EUR 532 million	100.0	Administration of subsidiaries in Europe
	Kubota Europe S.A.S.	France	EUR 56 million	100.0 [100.0]	Sales of construction machinery, tractors, outdoor power equipment and engines
	Kubota Baumaschinen GmbH	Germany	EUR 14 million	100.0 [100.0]	Manufacturing and sales of construction machinery
	Kverneland AS	Norway	EUR 53 million	100.0 [100.0]	Manufacturing and sales of implements
Asia	Kubota China Holdings Co., Ltd.	China	RMB 1,701 million	100.0	Administration of subsidiaries in China
	Kubota Agricultural Machinery (Suzhou) Co., Ltd.	China	RMB 170 million	100.0 [100.0]	Manufacturing and sales of combine harvesters, rice transplanners and tractors
	Kubota China Financial Leasing Ltd.	China	RMB 527 million	100.0 [100.0]	Finance leasing of construction machinery and farm equipment, and factoring service

Business name		Location	Common stock	Percentage of investment shares (%)	Principal business activity
Asia	SIAM KUBOTA Corporation Co., Ltd.	Thailand	THB 2,739 million	60.0	Manufacturing and sales of tractors, combine harvesters, implements and horizontal type diesel engines, and sales of construction machinery
	Siam Kubota Leasing Co., Ltd.	Thailand	THB 2,000 million	100.0 [100.0]	Retail financing to purchasers of tractors and combine harvesters
	Kubota Engine (Thailand) Co., Ltd.	Thailand	THB 1,400 million	100.0	Manufacturing of vertical type diesel engines
Australia	Kubota Australia Pty Ltd.	Australia	A\$ 21 million	100.0	Sales of tractors, outdoor power equipment, construction machinery and engines
(Equity method affiliate)					
Japan	KMEW Co., Ltd.	Osaka, Japan	¥ 8.0 billion	50.0	Manufacturing and sales of roofing, siding materials and rain gutters

- (Notes)
1. Figures in square brackets represent ratio of indirect holding shares to total shares of each subsidiary, which is included in total percentage of investment shares.
 2. As of December 31, 2020, the Company had 172 consolidated subsidiaries (including the 21 companies listed above).
 3. Consolidated financial results for the year ended December 31, 2020 were described in "1. Item of Overview of Operations, (1) Review of Operations."

3) Other Major Affiliates

Business name		Location
Japan	Hokkaido Kubota and other sales companies of farm equipment	
	KUBOTA Construction Machinery Japan Corporation	Osaka, Osaka
	Kubota Air Conditioner, Ltd.	Chuo-ku, Tokyo
	Nippon Plastic Industry Co., Ltd.	Komaki, Aichi
	Kubota Environmental Service Co., Ltd.	Chuo-ku, Tokyo
	Kubota Construction Co., Ltd.	Osaka, Osaka
North America	Kubota Materials Canada Corporation	Canada
Europe	Kubota Farm Machinery Europe S.A.S	France
	Kubota (Deutschland) GmbH	Germany
	Kubota (U.K.) Ltd.	U.K.
Middle East	Kubota Saudi Arabia Company, LLC	Kingdom of Saudi Arabia

(6) Main Line of Business (As of December 31, 2020)

The Company conducts its businesses in the following three fields: "Farm & Industrial Machinery," "Water & Environment" and "Other."

Segment	Primary products and services
Farm & Industrial Machinery	
Farm equipment and agricultural-related products	Tractors, Power tillers, Combine harvesters, Rice transplanters, Turf equipment, Utility vehicles, Other agricultural machineries, Implements, Attachments, Post-harvest machineries, Vegetable production equipment, Other equipment for agricultural use, Cooperative drying facilities, Rice seedling facilities, Rice mill plants, Gardening facilities, Scales, Weighing and measuring control systems, and Air purifier with humidification function
Engines	Engines (for farming, construction, industrial machinery and generators)
Construction machinery	Mini excavators, Wheel loaders, Compact track loaders, Skid steer loaders and Other construction machinery related products
Water & Environment	
Pipe- and Infrastructure-related products	Ductile iron pipes, Plastic pipes, Valves, Single stack drain fittings, Design and construction of construction works, Reformer & Cracking tubes, Hearth rolls, Rolls for steel mills, Ceramics, TXAX (friction materials), Spiral welded steel pipes (steel pipe pile, steel pipe sheet pile), and Air-conditioning equipment,
Environment-related products	Waste water treatment equipment and plants, Pumps and plants, Membrane solutions, Water purification plants, Night-soil treatment plants, Waste incinerating and melting plants, Waste shredding and sorting plants, Flue gas desulfurization apparatus, Membrane methane fermentation plants, Wastewater Treatment Plant (Johkasou), and Bathtubs
Other	
Services such as logistics, financing, and Roofing and siding materials	

(7) Capital Expenditures

For the year ended December 31, 2020, the Company made capital expenditures totaling ¥87.2 billion, including investment for enhancement of IT infrastructure, expansion in R&D centers in Japan and overseas countries, manufacturing of new models, and increasing production capacity.

(8) Financing

Funds for capital expenditures were obtained mainly from the Company's internal resources. On the other hand, funds for sales financing operations were obtained mainly from borrowings.

(9) Employees (As of December 31, 2020)**1) Consolidated Basis**

Number of employees	Change from prior fiscal year-end
41,605	+578

(Note) The number of employees indicates the number of full-time employees.

2) Kubota Corporation

Number of employees	Change from prior fiscal year-end
11,356	-40

(Note) The number of employees indicates the number of full-time employees.

(10) Main Financing Bank (As of December 31, 2020)

Name	Balance of the loan
Mizuho Bank, Ltd.	¥165.0 billion
Sumitomo Mitsui Banking Corporation	¥119.1 billion
MUFG Bank, Ltd.	¥114.3 billion
The Norinchukin Bank	¥96.6 billion

2. Item on Shares of Kubota Corporation

(1) Information on the Shares (As of December 31, 2020)

- 1) **Total Number of Authorized Common Shares:** 1,874,700,000 shares
- 2) **Total Number of Common Shares Issued:** 1,208,576,846 shares
(including 306,736 shares of treasury shares)
- 3) **Number of Shareholders:** 45,559 shareholders
- 4) **Number of Shares Per Unit of Shares:** 100 shares
- 5) **Major Shareholders (Top 10)**

Name	Number of Shares Held (thousands of shares)	Holding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	138,988	11.50
Nippon Life Insurance Company	62,542	5.18
Meiji Yasuda Life Insurance Company	59,929	4.96
Custody Bank of Japan, Ltd. (Trust Account)	57,401	4.75
Sumitomo Mitsui Banking Corporation	36,006	2.98
Mizuho Bank, Ltd.	31,506	2.61
Moxley & Co. LLC	25,393	2.10
Custody Bank of Japan, Ltd. (Trust Account 7)	19,337	1.60
MUFG Bank, Ltd.	18,156	1.50
Custody Bank of Japan, Ltd. (as trustee for Retirement Benefit Trust of Sumitomo Mitsui Trust Bank, Limited)	17,872	1.48

(Note) Holding ratio is calculated excluding treasury shares as of December 31, 2020.

(2) Acquisition, Retirement, and Holding of Treasury Share

1) Treasury Share Acquired during This Fiscal Year

Common share: 12,086,007 shares
Total amount of shares acquired: ¥ 20,001,973,990

2) Treasury Share Retired during This Fiscal Year

Common share: 12,000,000 shares
Date of retirement: October 30, 2020

3) Treasury Share Held as of December 31, 2020

Common share: 306,736 shares

(3) Other Important Matters Concerning Shares of Kubota Corporation

Kubota Corporation has disposed of 90,786 treasury shares as of April 17, 2020, in order to grant restricted stock to six Directors (excluding Outside Directors) under the restricted stock compensation plan.

(4) Policy for Cross-shareholdings

Kubota Corporation believes it is necessary to cooperate with various companies in every business process, such as product development, manufacturing, distribution, sales, service, and funding, to succeed in global competition and realize its sustainable growth and improvement of corporate value over the medium to long term. From this perspective, Kubota Corporation maintains cross-shareholdings based on comprehensive consideration

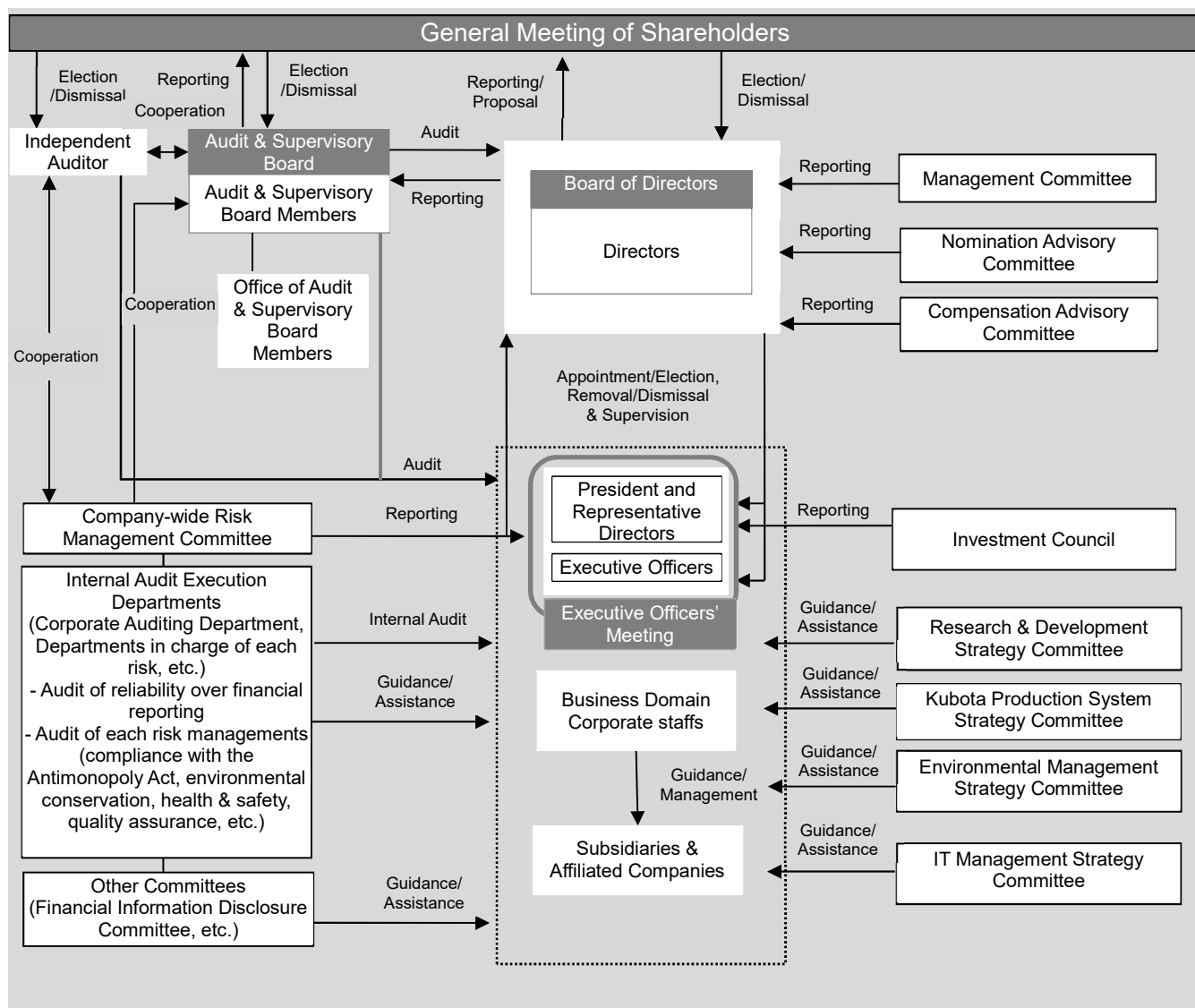
of business relationships and the business strategies. Kubota Corporation's policy for cross-shareholdings is to examine each individual share at the meetings of the Board of Directors every year to see whether or not the shareholding is appropriate, based on comprehensive consideration of the holding purpose, benefits and risks involved in the shareholdings and others, and decrease its shareholdings gradually in light of the market environment and other factors when it determines that maintaining them is no longer appropriate. In the fiscal year ended December 31, 2020, Kubota Corporation sold ¥32.4 billion of its listed equity securities.

3. Item of Directors, Audit & Supervisory Board Members and Executive Officers of Kubota Corporation

(1) Policy of Organization Structure

Kubota Corporation has a wide range of business domain that includes the areas of food, water, and the environment. Considering the scope of this domain, Kubota Corporation believes that the most appropriate governance structure is one in which the Board of Directors, which is composed primarily of Directors with in-depth experience and knowledge in particular areas of the Company's businesses, obtains appropriate advice from the Outside Directors, and makes decisions on major fundamental management policies. The Board of Directors also supervises and oversees the Executive Officers' conduct of business. On the other hand, the Audit & Supervisory Board Members, who are legally independent from the Board of Directors, provide a monitoring function through the highly effective, independent audit function. Kubota Corporation also adopts the Audit & Supervisory Board governance approach because Kubota Corporation believes this governance system is appropriate for attaining sustainable growth and increasing corporate value in the medium to long term in addition to securing sound, efficient, and effective management.

Corporate Governance Structure (As of January 1, 2021)



(2) Activity Report of the Nomination Advisory Committee and the Compensation Advisory Committee

The Nomination Advisory Committee met three times (including one resolution in writing) during the fiscal year for the purpose of deliberating the nomination of candidates for Directors and the nomination of Advisers. 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 Advisers, and the adequacy of the stock compensation system. (Including one resolution in writing).

Composition of Members (as of January 1, 2021)

Those in brackets [] indicate percentage of attendance.

■ Nomination Advisory Committee

• Chairman and Representative Director	Masatoshi Kimata	[100%]
• President and Representative Director	Yuichi Kitao	[100%]
• Director and Executive Vice President	Masato Yoshikawa	[100%]
• Outside Director	Yuzuru Matsuda	[100%]
• Outside Director	Koichi Ina	[100%]
• Outside Director	Yutaro Shintaku	[100%]

■ Compensation Advisory Committee

• Director and Executive Vice President	Masato Yoshikawa	[100%]
• Senior Managing Executive Officer	Kazuhiro Kimura	[100%]
• Outside Director	Yuzuru Matsuda	[100%]
• Outside Director	Koichi Ina	[100%]
• Outside Director	Yutaro Shintaku	[100%]
(Observer)		
• Outside Audit & Supervisory Board Member	Masaki Fujiwara	[100%]

In addition, starting in fiscal year 2021, Outside Directors will be elected as the chairpersons of each committee, and will operate the committees with even more fairness and transparency.

(3) Activity Report for Outside Directors and Outside Audit & Supervisory Board Members

Position	Name	Their Activities
Director	Yuzuru Matsuda	Mr. Yuzuru Matsuda attended all 12 meetings of the Board of Directors, and in his role as member of the Nomination Advisory Committee and Compensation Advisory Committee, attended every committee meeting. In the fiscal year ended December 31, 2020, he attended more meetings via the internet and provided valuable statements at the “2025 Mid-term Management Plan and Long-term Vision (GMB2030) Review Meeting,” “Discussion With Audit & Supervisory Board Members Regarding Evaluating the Effectiveness of the Board of Directors” and other meetings, backed by his extensive experience and wide-ranging knowledge of current events as a corporate manager of a comprehensive manufacturer of biotechnology.
Director	Koichi Ina	Mr. Koichi Ina attended all 12 meetings of the Board of Directors, and in his role as member of the Nomination Advisory Committee and Compensation Advisory Committee, attended every committee meeting. In the fiscal year ended December 31, 2020, in addition to plant inspections, he attended more meetings via the internet and provided valuable statements at the “2025 Mid-term Management Plan and Long-term Vision (GMB2030) Review Meeting,” “Discussion With Audit & Supervisory Board Members Regarding Evaluating the Effectiveness of the Board of Directors” and other meetings, using his deep knowledge in the field of manufacturing accumulated at an automotive manufacturer.
Director	Yutaro Shintaku	Mr. Yutaro Shintaku attended all 12 meetings of the Board of Directors, and in his role as member of the Nomination Advisory Committee and Compensation Advisory Committee, attended every committee meeting. In the fiscal year ended December 31, 2020, he attended more meetings via the internet and provided valuable statements at the “2025 Mid-term Management Plan and Long-term Vision (GMB2030) Review Meeting,” “Discussion With Audit & Supervisory Board Members Regarding Evaluating the Effectiveness of the Board of Directors,” business strategy meeting regarding the COVID-19 pandemic and other meetings, using his experience actively promoting global strategy as a management of a medical device manufacturer.
Audit & Supervisory Board Member	Masaki Fujiwara	Mr. Masaki Fujiwara attended all 12 meetings of the Board of Directors and all 14 Audit & Supervisory Board Meetings held during the fiscal year, and attended every meeting of the Compensation Advisory Committee as observer. He mainly provided various statements such as opinions based on his considerable experience as an executive of listed company in management, accounting, and overseas operations and his expert viewpoints. Furthermore, he also attended regular meetings with the President and Representative Director and regular meetings with Outside Directors and expressed opinions.

Position	Name	Their Activities
Audit & Supervisory Board Member	Kumi Arakane	Ms. Kumi Arakane attended all 12 meetings of the Board of Directors and all 14 Audit & Supervisory Board Meetings held during the fiscal year. She mainly provided various statements such as opinions based on her considerable experience as an executive of listed company in product development, research, quality control and purchasing and her expert viewpoints. Furthermore, she also attended regular meetings with the President and Representative Director and regular meetings with Outside Directors and expressed opinions.
Audit & Supervisory Board Member	Yuichi Yamada	Mr. Yuichi Yamada attended all 10 meetings of the Board of Directors and all 11 Audit & Supervisory Board Meetings held after his appointment on March 19, 2020. He mainly provided various statements such as opinions based on his considerable experience and expert viewpoints as a certified public accountant, in accounting and financial matters including international accounting standards. Furthermore, he also attended regular meetings with the President and Representative Director and regular meetings with Outside Directors and expressed opinions.

(4) Activity Report of the Audit & Supervisory Board

The main matters considered by the Audit & Supervisory Board are the audit policies and division of duties, status of the establishment and operation of internal control systems, evaluation of the Independent Auditor and determining their appointment and reappointment, the audit report and other matters.

In accordance with the audit policies, division of duties, and standards for the Audit & Supervisory Board Members as established by the Audit & Supervisory Board, the Audit & Supervisory Board Members communicated with the Directors, the internal audit department, employees, and others; committed to gathering information and enhancing the audit environment; attended meetings of the Board of Directors and other important meetings; received reports from the Directors, employees, and others regarding the performance of their duties; requested explanations as necessary; inspected important documents supporting decisions and other records; and examined the status of operations and assets at the head office and important operating locations.

In addition, the Audit & Supervisory Board Members periodically received reports from the Directors, employees, and others regarding the status of the development and operation of internal control systems; requested explanations as necessary; and expressed opinions.

As for the subsidiaries, the Audit & Supervisory Board Members concurrently serve as Audit & Supervisory Board Members of major subsidiaries in Japan and audit the execution of management according to the audit policies and plans established by the Audit & Supervisory Board. In addition, full-time Audit & Supervisory Board Members of subsidiaries have been placed at some of the main subsidiaries in Japan in order to strengthen the monitoring system of the subsidiaries.

The Audit & Supervisory Board monitored and verified whether the Independent Auditor made appropriate audits while maintaining its independence. In addition, the Audit & Supervisory Board received reports from the Independent Auditor on its operations and requested explanations when necessary.

Although it was difficult for the Audit & Supervisory Board to conduct on-site audits in Japan and overseas during the fiscal year due to the impact of the spread of COVID-19, the Audit & Supervisory Board was able to conduct appropriate audits through online meetings. Going forward, the Audit & Supervisory Board will conduct appropriate audits using digital technology when it is difficult to visit the sites.

(5) Evaluating the Effectiveness of the Board of Directors

At the end of each fiscal year, Kubota Corporation holds an evaluation of the effectiveness of the Board of Directors for the continuous improvement of its corporate governance.

A self-evaluation was conducted for fiscal year 2020 in November 2020 using a questionnaire created by a third-party organization.

Evaluation method

Evaluation format:	Questionnaire (Multiple choice <17 items, 38 questions>) and free-response questions <two questions>
Respondents:	All Directors and Audit & Supervisory Board Members (total 14 persons)
Questionnaire items:	Composition of the Board of Directors/ members' roles and contributions/ leadership of the Chairman/ operations of the Board of Directors/ setting of corporate strategy and trajectory/ risk management/ analysis of management decisions/ sound decisions/ response to stakeholders/ monitoring of management resources (people, things, money)/ monitoring of execution and performance/ culture of the Board/ generation of synergies/ supervision of advisory committee/ effectiveness of committees corresponding to nomination and compensation/ supervision of succession planning/ application of the effectiveness evaluation

The results of the questionnaire were discussed at the January 2021 meeting of the Board of Directors, and future issues and measures for improvement were confirmed. The results of the evaluation indicate that Kubota Corporation's Board of Directors is functioning effectively, sufficiently exercising both its decision-making function and supervisory function. In particular, it was determined that the creation of synergy with business companies and Group companies within the Group has been improving since the previous fiscal year. On the other hand, recommendations were provided on improving discussion regarding medium- to long-term growth strategies. Going forward, Kubota Corporation will make improvements based on these results to maximize the utilization of the Board of Directors' supervisory function.

(6) Training for Executives

Kubota Corporation holds annual executive forums related to SDGs, human rights, health and safety, the environment, quality, and starting in the fiscal year ended December 31, 2020, also related to ICT to promote digital transformation, for all of its Directors, Audit & Supervisory Board Members and Executive Officers. In the fiscal year ended December 31, 2020, such forums were held online on four occasions. Visiting lecturers were brought in, etc. and those in attendance were provided with opportunities to acquire and update knowledge necessary for supervising operations. Kubota Corporation also conducts training hosted by external organizations for all newly appointed Executive Officers, featuring content pertaining to laws and regulations, and corporate governance. Moreover, Kubota Corporation conducts inspections and engages in discussions with on-site executives at its overseas affiliates, and at the regional offices in Japan, so that those in attendance, including Outside Directors and Outside Audit & Supervisory Board Members, can gain a deeper understanding of the Group's business activities and make appropriate management decisions.

(7) Remuneration, etc. for Directors and Audit & Supervisory Board Members

Title	Number of recipients (persons)	Total amount of remuneration, etc. (millions of yen)	Total amount by type (millions of yen)		
			Basic remuneration	Bonuses	Restricted stock compensation
Directors (excluding Outside Directors)	6	815	405	302	108
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	2	78	78	–	–
Outside Directors	3	51			
Outside Audit & Supervisory Board Members	3	38			

- (Notes)
1. The amounts of restricted stock compensation are those shown as expenses for the fiscal year ended December 31, 2020.
 2. Total amount of remuneration for the Directors includes ¥302 million of bonuses for the Directors scheduled for resolution at the 131st Ordinary General Meeting of Shareholders.
 3. Total amount of remuneration for the Directors includes expenses related to restricted stock compensation for the fiscal year ended December 31, 2020 (¥108 million for six Directors (excluding Outside Directors)).

(8) Policy for Determination of Remuneration, etc. and its Calculation Method for Directors and Audit & Supervisory Board Members

1. Basic Policy Regarding Remuneration

- The Company aims to have a remuneration plan that achieves sustainable and stable growth in the business areas of food, water, and the environment and sharing value with the shareholders.

2. Procedures for Determining Remuneration

- To ensure fairness and transparency, the remuneration is determined by the Board of Directors after it has been deliberated on in the Compensation Advisory Committee, which is composed of Outside Directors, internal Directors and the Director in charge of the Human Resources and General Affairs Department.
- The appropriateness of the overall remuneration level is verified based on a database of management remuneration at other major domestic corporations provided by external research organizations.

3. Overview of Remuneration Plan for Directors

1) Remuneration Composition and Composition Ratios

- The remuneration for the Directors (excluding Outside Directors) consists of basic remuneration, which is set by corporate rank, 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 composition ratios of remuneration vary according to the Director's bonus amount and are set so that the higher the corporate rank, the higher the ratio of Director's bonus will be. The ratio of "basic remuneration" to "bonus" to "stock compensation" for Directors for the fiscal year will generally be 45%:40%:15%.

- The remuneration for the Outside Directors consists of basic remuneration only because of the roles they play and the need to preserve their independence.

2) Basic Remuneration

- The Company pays basic remuneration, which is set by corporate rank. The basic remuneration is determined within the range of the maximum aggregate amount of remuneration approved at the General Meeting of Shareholders, in consideration of operating results, remuneration levels of other companies, and other factors.

3) Variable Remuneration (Bonuses for Directors)

- The Company pays variable remuneration (bonuses for Directors), which acts as a short-term incentive linked to performance in a single fiscal year. "Profit attributable to owners of the parent," which represents results of business activities and constitutes the capital for shareholder returns has been adopted as the indicator used to calculate the bonus amount. After the bonus amounts for each corporate rank are decided, these amounts are adjusted according to the degree of performance achievement in organizations of which the individuals are in charge, and then approval for that variable remuneration is obtained at the Ordinary General Meeting of Shareholders.

4) Restricted Stock Compensation

- The Company pays restricted stock compensation, which is regarded as a medium- to long-term incentive.
- The amount of stock compensation is decided within the limits established by the total amount of the monetary compensation claims and the total number of common shares to be issued or disposed of as approved at the General Meeting of Shareholders.

(Reference) Image of Remuneration Plan for Directors

Basic remuneration	Bonuses	Restricted stock
Fixed remuneration	Short-term incentive	Medium- to long-term Incentive

4. Remuneration for the Audit & Supervisory Board Members

- The remuneration for the Audit & Supervisory Board Members consists solely of basic remuneration because of the roles they play and the need to preserve their independence. 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.

(9) Overview of Agreements on Limitation of Liabilities of Outside Directors and Outside Audit & Supervisory Board Members

Pursuant to Article 427, paragraph 1 of the Companies Act, Kubota Corporation enters into agreements with each of the Outside Directors and the Outside Audit & Supervisory Board Members to limit their liabilities for damages. The maximum amount of their liabilities under these agreements is the amount provided for in laws and regulations.

(10) Name of Directors and Audit & Supervisory Board Members (As of December 31, 2020)

Position	Name	Responsibility at Kubota Corporation and Important Concurrent Positions
Chairman and Representative Director	Masatoshi Kimata	
President and Representative Director	Yuichi Kitao	
Director and Executive Vice President	Masato Yoshikawa	General Manager of Planning and Control Headquarters, General Manager of Global ICT Headquarters
Director and Senior Managing Executive Officer	Shinji Sasaki	General Manager of Research and Development Headquarters
Director and Senior Managing Executive Officer	Toshihiko Kurosawa	General Manager of Water and Environment Infrastructure Consolidated Division, Deputy General Manager of Innovation Center, General Manager of Tokyo Head Office
Director and Senior Managing Executive Officer	Dai Watanabe	General Manager of Farm and Industrial Machinery Consolidated Division, General Manager of Innovation Center
Director	Yuzuru Matsuda	Director of BANDAI NAMCO Holdings Inc., Director of JSR Corporation, Director Emeritus of Kato Memorial Bioscience Foundation
Director	Koichi Ina	Director of Sansha Electric Manufacturing Co., Ltd. Chairman of Central Japan Industries Association
Director	Yutaro Shintaku	Director of Santen Pharmaceutical Co., Ltd., Director of J-Oil Mills, Inc., Executive Trustee of Tonen International Scholarship Foundation, Special Professor of Hitotsubashi University Business School, Director of KOZO KEIKAKU ENGINEERING Inc.
Audit & Supervisory Board Member (Full-time)	Toshikazu Fukuyama	
Audit & Supervisory Board Member (Full-time)	Yasuhiko Hiyama	
Audit & Supervisory Board Member	Masaki Fujiwara	Director and Senior Managing Executive Officer of Sansha Electric Manufacturing Co., Ltd.
Audit & Supervisory Board Member	Kumi Arakane	Director of Kagome Co., Ltd., Director of TODA CORPORATION
Audit & Supervisory Board Member*	Yuichi Yamada	Audit & Supervisory Board Member of Japan Finance Corporation, Representative of Yuichi Yamada Certified Public Accountant Firm, Audit & Supervisory Board Member of Sumitomo Metal Mining Co., Ltd.

(Notes) 1. Messrs. Yuzuru Matsuda, Koichi Ina and Yutaro Shintaku are Outside Directors.

2. Mr. Masaki Fujiwara, Ms. Kumi Arakane and Mr. Yuichi Yamada are Outside Audit & Supervisory Board Members.

3. Kubota Corporation reported to the TSE that all Outside Directors and Outside Audit & Supervisory Board Members are Independent Directors/Audit & Supervisory Board Members defined by the TSE.

4. Messrs. Masaki Fujiwara and Yuichi Yamada have sufficient knowledge relating to accounting and finance.

5. Kubota Corporation has no special relationship with BANDAI NAMCO Holdings Inc., JSR Corporation, and Kato Memorial Bioscience Foundation, of which Mr. Yuzuru Matsuda currently holds important posts.

Kubota Corporation has no special relationship with Sansha Electric Manufacturing Co., Ltd., and Central Japan Industries Association, of which Mr. Koichi Ina currently holds important posts.

Kubota Corporation has no special relationship with Santen Pharmaceutical Co., Ltd., J-Oil Mills, Inc., Tonen International Scholarship Foundation and Hitotsubashi University Business School, of which Mr. Yutaro Shintaku currently holds important posts. Although Kubota Corporation has business transactions with

KOZO KEIKAKU ENGINEERING Inc., the transactions are less than 0.01% of consolidated revenue of Kubota Corporation as well as of KOZO KEIKAKU ENGINEERING Inc.

Kubota Corporation has no special relationship with Sansha Electric Manufacturing Co., Ltd., of which Mr. Masaki Fujiwara currently holds an important post.

Kubota Corporation has no special relationship with Kagome Co., Ltd. and TODA CORPORATION, of which Ms. Kumi Arakane currently holds important posts.

Kubota Corporation has no special relationship with Japan Finance Corporation, Yuichi Yamada Certified Public Accountant Firm, and Sumitomo Metal Mining Co., Ltd., of which Mr. Yuichi Yamada currently holds important posts.

6. Changes of Directors and Audit & Supervisory Board Members during the fiscal year ended December 31, 2020

Mr. Yuichi Yamada indicated by an asterisk (*) in the above table was newly elected at the 130th Ordinary General Meeting of Shareholders held on March 19, 2020 and assumed his office.

7. The following changes have been effective as of January 1, 2021.

Position	Name	Responsibility at Kubota Corporation and Important Concurrent Positions
Director	Shinji Sasaki	

8. Kubota Corporation appointed Executive Officers who do not hold concurrent position as Director as follows on January 1, 2021.

Executive Officers who do not hold concurrent position as Director (as of January 1, 2021)

Position	Name	Responsibility at Kubota Corporation and Important Concurrent Positions
Senior Managing Executive Officer	Haruyuki Yoshida	President of Kubota Tractor Corporation, President of Kubota North America Corporation
Senior Managing Executive Officer	Yuji Tomiyama	Deputy General Manager of Farm and Industrial Machinery Consolidated Division, General Manager of Tractor Division
Senior Managing Executive Officer	Kazuhiro Kimura	General Manager of Corporate Compliance and Risk Management Headquarters, General Manager of Human Resources and General Affairs Headquarters, In charge of ESG Promotion, General Manager of Head Office, General Manager of Kubota Technical Training Center
Managing Executive Officer	Kaoru Hamada	Deputy General Manager of Research and Development Headquarters, General Manager of Water and Environment R&D
Managing Executive Officer	Yasuo Nakata	General Manager of Quality Assurance Headquarters
Managing Executive Officer	Takao Shomura	General Manager of Harvester and Transplanter Division
Managing Executive Officer	Kazunari Shimokawa	General Manager of Agricultural Implement Division
Managing Executive Officer	Mutsuo Uchida	Deputy General Manager of Water and Environment Infrastructure Consolidated Division
Managing Executive Officer	Nobuyuki Ishii	General Manager of Farm and Industrial Machinery Strategy and Operations Headquarters, General Manager of ASEAN Farm and Industrial Machinery Strategy and Operations Headquarters
Managing Executive Officer	Kazuhiro Shinabe	General Manager of Environmental Solutions Division
Managing Executive Officer	Ryuichi Minami	Deputy General Manager of ASEAN Farm and Industrial Machinery Strategy and Operations Headquarters
Managing Executive Officer	Yoshimitsu Ishibashi	Deputy General Manager of Tractor Division, General Manager of Compact Tractor Division, General Manager of Outdoor Power Equipment Division
Managing Executive Officer	Yasukazu Kamada	General Manager of Engine Division
Managing Executive Officer	Katsuhiko Yukawa	General Manager of Construction Machinery Division

Position	Name	Responsibility at Kubota Corporation and Important Concurrent Positions
Managing Executive Officer	Ryoji Kuroda	General Manager of Health and Safety Promotion Headquarters
Managing Executive Officer	Eiji Yoshioka	General Manager of Pipe Systems and Infrastructure Division
Managing Executive Officer	Hiroto Kimura	General Manager of Research and Development Headquarters, Deputy General Manager of Innovation Center, General Manager of Carbon Neutral Promotion Department
Managing Executive Officer	Muneji Okamoto	Deputy General Manager of Research and Development Headquarters, General Manager of Farm and Industrial Machinery Engineering Headquarters
Executive Officer	Koichiro Kan	General Manager of Agricultural Tractor Division
Executive Officer	Hirohiko Arai	President of Kubota Manufacturing of America Corporation, President of Kubota Industrial Equipment Corporation
Executive Officer	Tomohiro Iitsuka	General Manager of Farm Machinery Japan Operation, President of Kubota Agri Service Corporation
Executive Officer	Kazushi Ito	Deputy General Manager of Planning and Control Headquarters
Executive Officer	Koichi Yamamoto	General Manager of Manufacturing Engineering Headquarters
Executive Officer	Mampeï Yamamoto	General Manager of Procurement Headquarters, General Manager of Sakai Plant, General Manager of Sakai Training Center
Executive Officer	Hitoshi Inada	Deputy General Manager of Pipe Systems and Infrastructure Division
Executive Officer	Shingo Hanada	President of Kverneland AS, President of Kubota Holdings Europe B.V.
Executive Officer	Nobushige Ichikawa	President of KUBOTA EUROPE S.A.S., Vice President of Kubota Holdings Europe B.V.
Executive Officer	Shinichi Fukuhara	Deputy General Manager of Environmental Solutions Division, General Manager of Environmental Engineering Business Unit
Executive Officer	Hideki Mori	General Manager of Customer Solutions Division
Executive Officer	Junji Ota	General Manager of Farm and Industrial Machinery Strategy and Operations Department
Executive Officer	Takanobu Azuma	President of SIAM KUBOTA Corporation Co., Ltd.

4. Independent Auditor

(1) Name of the Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Compensation, etc. for the Independent Auditor for the Fiscal Year Ended December 31, 2020

1) Amount of compensation, etc. paid to the Independent Auditor for the fiscal year ended December 31, 2020	¥285 million
2) Total amount of cash and other financial benefits payable by Kubota Corporation and its subsidiaries to the Independent Auditor	¥314 million

- (Notes)
1. The Audit & Supervisory Board confirmed and deliberated the content of the Independent Auditor's audit plans, the appropriateness of the status of the duties executed on audit, and calculation base of estimated amount of compensation, with related materials and reports from the Directors, relevant divisions of Kubota Corporation, and the Independent Auditor. Consequently, the Audit & Supervisory Board concluded that they were appropriate and agreed to the above amount.
 2. The compensation for audit is not divided into the compensation related to the Companies Act and the compensation related to the Financial Instruments and Exchange Act in the audit contract between Kubota Corporation and the Independent Auditor, as it is substantially impossible. Therefore, the amount 1) described above is a total amount of the compensation of both audits.
 3. Kubota Corporation paid fees to the Independent Auditor for consultations on accounting, which are not services specified in Article 2, paragraph 1 of the Certified Public Accountants Act.
 4. Among Kubota Corporation's material subsidiaries, Kubota Tractor Corporation and other 18 material subsidiaries are audited by the accounting firms other than the Independent Auditor of Kubota Corporation.

(3) Policies for Determining Dismissal or Non-Reappointment of the Independent Auditor

- 1) In the case that the Independent Auditor falls under any of the items of Article 340, paragraph 1 of the Companies Act, the Audit & Supervisory Board may dismiss the Independent Auditor by unanimous approval of the Audit & Supervisory Board Members.
- 2) In the case that the Independent Auditor is not qualified or eligible to execute duties as the accounting auditor pursuant to disqualifying reasons of Article 337, paragraph 3 of the Companies Act, and that it is appropriate not to reappoint it as the Independent Auditor, comprehensively taking into account the status of the duties executed on audit and other factors, the Audit & Supervisory Board may submit a proposal to dismiss or not to reappoint the Independent Auditor by the resolution of the Audit & Supervisory Board.

5. Item of Systems to be Developed to Establish Internal Control Systems

Kubota Corporation has set and is implementing the following ten systems to ensure the appropriateness of its business operations.

(1) System to Ensure that Directors and Employees Perform Their Duties in Compliance with Laws and Regulations, and the Articles of Incorporation

As the basis of this system to ensure that the Directors, the Executive Officers, and employees perform their duties in compliance with laws and regulations and the Articles of Incorporation, Kubota Corporation has established the “Kubota Group Charter for Action” and “Kubota Group Code of Conduct” to be observed by all Directors, the Executive Officers, and employees of Kubota Corporation and its subsidiaries.

Under the Company-Wide Risk Management Committee, the department in charge designated for each category of management risks (hereinafter referred to as the “department in charge”) undertakes such activities as education and training to promote compliance with laws and ethical norms, and performs internal audits.

In addition, based on the operational regulations of “Operation of the Whistle Blowing System,” which includes rules to protect whistle blowers, Kubota Corporation has set up the “Kubota Hotline,” a service function for in-house whistle blowing and consultation. The aim of this system is to discover at an early stage any improper conduct that infringes on laws or other regulations and to prevent such infringements from occurring.

(2) System Related to the Safekeeping and Management of Information Regarding Kubota Corporation Directors’ Execution of Duties

Kubota Corporation properly holds in custody and controls information on the execution of duties by the Directors and Executive Officers in accordance with its in-house rules and regulations, which include the “Regulations on Custody of Documents” and other items. Kubota Corporation also maintains a system for making such documents available for examination, as necessary.

(3) Rules and Regulations on the Management of Risks of Losses and Other Systems

Kubota Corporation manages risks of compliance, environment, health and safety, disasters, quality, and other matters relating to the performance of business operations of the Group as a whole by having departments in charge or committees under the control of the Company-Wide Risk Management Committee provide internal rules and regulations, manuals, and other guidelines to respond to the risks of the Group as a whole.

In order to respond to new risks arising in the Group, the Company-Wide Risk Management Committee will determine the department in charge, and the new risks will be managed by the said department.

(4) System to Ensure the Efficient Execution of Duties by Directors

The Board of Directors decides management execution policies, matters set forth in laws and regulations, and other important matters regarding management, while also overseeing the execution of duties by the Directors and Executive Officers.

At the Executive Officers’ Meeting, the President and Representative Director gives directions and information to the Executive Officers about policies and resolutions decided by the Board of Directors. The progress of execution of their duties is reported to the President and Representative Director by the Executive Officers.

Kubota Corporation enhances efficiency of its decision-making process by having adequate discussions in the “Management Committee,” with the participation of the President and

Representative Director and other Executive Officers, to decide important management matters. Kubota Corporation also implements multifaceted deliberations in the “Investment Council,” mainly consisting of the Executive Officers in charge of administrative departments, to discuss other important investment projects. The results of these discussions are reported to the Board of Directors or the like to enhance the effectiveness of the system, in accordance with the operational regulations of “Operation of the Management Committee and Investment Council.”

(5) System to Ensure Proper Business Operations within the Group, Consisting of Kubota Corporation and Its Subsidiaries

- (a) To create a Group-Wide control environment, Kubota Corporation has established the “Kubota Group Charter for Action” and “Kubota Group Code of Conduct,” and the philosophies contained in this charter and code of conduct are shared throughout the Group. To ensure proper business operations of the Group, Kubota Corporation sets its in-house rules and regulations and establishes proper internal control systems. The status of the design and operation of internal control systems related to management risks, including the internal control systems over financial reporting, is audited by the internal auditing department, and departments in charge, after self-audits performed by each department of Kubota Corporation and its subsidiaries, and the results of such audits are reported to the Directors in charge, the Chairman of the Company-Wide Risk Management Committee, the President and Representative Director, the Board of Directors, and the Audit & Supervisory Board Members.
- (b) Kubota Corporation manages its subsidiaries in accordance with the subsidiary management regulations it has established in order to maintain the appropriateness of their operations. The subsidiaries report the status of their business and the execution of the duties by their executives to the department in charge at Kubota Corporation. Kubota Corporation emphasizes the business connections between the subsidiaries and the operating divisions of Kubota Corporation and assigns the relevant departments to be departments primarily in charge of managing those subsidiaries. Kubota Corporation then receives reports on management planning and other matters from the subsidiaries and works to ensure the efficient execution of the duties of their Directors through discussions at management review committees and other means.

(6) System for Directors and Employees to Report to Audit & Supervisory Board Members and Other Systems Related to Reports to Audit & Supervisory Board Members

Kubota Corporation has established a system for the Directors, the Executive Officers, and employees of Kubota Corporation and its subsidiaries to report the following matters to the Audit & Supervisory Board Members without delay. This is in addition to the matters that need to be reported in accordance with laws and regulations. Persons who have reported to the Audit & Supervisory Board Members will not be treated disadvantageously as a result of making their reports.

- (a) Matters that could affect Kubota Corporation’s management;
- (b) Contents of internal audits performed by the internal auditing department and departments in charge;
- (c) Contents of whistle blowing revealed through the “Kubota Hotline”; and
- (d) Other matters requested by the Audit & Supervisory Board or Audit & Supervisory Board Members

(7) Matters Related to Employees who are Requested to Assist Audit & Supervisory Board Members in Their Duties

Kubota Corporation has established the Office of Audit & Supervisory Board Members and assigns employees to exclusively support the Audit & Supervisory Board Members in performing their duties.

(8) Matters Related to the Independence of the Employees, as Defined in Item (7) Above, from Directors and Matters Related to Ensuring the Effectiveness of the Instructions Given by Audit & Supervisory Board Members to Those Employees

The employees defined in Item (7) above fully comply with the instructions given by the Audit & Supervisory Board Members and assist the Audit & Supervisory Board Members in their execution of the duties. Furthermore, the assignment and evaluation of the employees defined in Item (7) are made after consultation and agreement between the Director in charge of the Human Resources Department and the Audit & Supervisory Board Members.

(9) Policy Related to the Processing of Expenses Incurred in the Execution of the Duties of Audit & Supervisory Board Members

To pay the expenses incurred in the execution of the duties of the Audit & Supervisory Board Members, Kubota Corporation prepares a budget each year and also processes the payment smoothly based on the requests from the Audit & Supervisory Board Members for the processing of any emergency or incidental expenses, or repayments incurred in their execution of the duties.

(10) Other Systems to Ensure Effective Audits by Audit & Supervisory Board Members

- (a) The President and Representative Director of Kubota Corporation has meetings with the Audit & Supervisory Board Members periodically, and, as needed, exchanges views on matters that Kubota Corporation must deal with, the improvement of audit environments, and other issues.
- (b) The Audit & Supervisory Board Members explain their audit policies and audit plans to the Board of Directors, and the Directors make efforts to improve communication with the Audit & Supervisory Board Members to enhance the exchange of information and establish effective cooperation with the Audit & Supervisory Board Members.

Main Measures Implemented This Period

The Following Is an Outline of the Measures Implemented This Period Based on the Item of Systems to be Developed to Establish Internal Control Systems.

- The Company-Wide Risk Management Committee took a central role and implemented education and internal audits for legal and ethical compliance directed toward the Group including its overseas subsidiaries, based on the risk management activity policy decided at the start of the period as well as the operational regulations, while taking into account the situation regarding the spread of COVID-19. The results of those activities were reported to the Board of Directors, the Audit & Supervisory Board Members, and others.
- Revisions of the in-house rules, regulations, and manuals, in response to the enactment and revision of laws and regulations as well as changes in management risks were promoted.
- The “Kubota Hotline” was instituted as a whistle blowing system, which accepted reports from and provided consultation to Group employees and others and implemented the responses necessary in the departments in charge. A contact point of the Kubota Hotline to outside lawyers was established as a point of contact for improved accessibility. Each company is also carrying out operations in stages to arrange whistle blowing systems and consultation offices, even at overseas subsidiaries.
- Based on the Regulations of the Board of Directors, the Board of Directors met once a month, the meetings were held in compliance with applicable laws even during the COVID-19 pandemic, such as by holding the meetings online, and decisions were made in a timely and appropriate manner. The Board of Directors decided matters such as the management execution policies, while reports were presented and deliberations were conducted at the Executive Officers’ Meeting, Management Committee, and Investment Council to improve the efficiency of the execution of duties. Also, three Outside Directors, who are independent from the execution of duties, have been appointed to reinforce the supervisory functions of the Board of Directors regarding the execution of duties by the Directors and Executive Officers. Furthermore, Kubota Corporation has a Nomination Advisory Committee and Compensation Advisory Committee in place, in which more than half of the members are the Outside Directors, to give advice to the Board of Directors. The Nomination Advisory Committee and Compensation Advisory Committee met to deliberate on nomination of candidates for the Directors, and the compensation system of the Directors over appropriate involvement and advice from the Outside Directors.
- In accordance with the subsidiary management regulations, Kubota Corporation received reports from these companies on the status of their business operations, and their management plans were also discussed in the management review committees. In addition, the departments in charge worked together with the primary managing departments to instruct the subsidiaries to develop and operate internal control systems and to continuously observe and execute them, as well as perform audits based on the risk management activity policy and action plan.
- The necessary reports were made appropriately to the Audit & Supervisory Board Members, including the Outside Audit & Supervisory Board Members, by reporting on items thought to affect management at important meetings such as the Board of Directors and by reporting on the details reported on the “Kubota Hotline.” To ensure the effectiveness of the execution of duties by the Audit & Supervisory Board Members, the Office of Audit & Supervisory Board Members has been staffed with dedicated employees, and the payment of the expenses incurred in the execution of the duties of the Audit & Supervisory Board Members was performed smoothly. In addition, the President and Representative Director met regularly with the Audit & Supervisory Board Members to work to improve mutual understanding between the Directors and the Audit & Supervisory Board Members and to perform any exchange of information necessary. Accordingly, the monitoring of Kubota Corporation’s Internal Control Systems overall was implemented by the Audit & Supervisory Board Members.

Consolidated Statement of Financial Position

Kubota Corporation and Its Subsidiaries

(Unit: millions of yen)

December 31:	2020	2019 (Reference)
ASSETS		
Current assets:		
Cash and cash equivalents	¥ 222,919	¥ 199,665
Trade receivables	592,027	682,596
Finance receivables	317,626	293,933
Other financial assets	49,967	71,968
Inventories	373,998	382,401
Income taxes receivable	9,700	6,287
Other current assets	72,305	82,034
Total current assets	1,638,542	1,718,884
Noncurrent assets:		
Investments accounted for using the equity method	36,124	33,729
Finance receivables	807,342	699,238
Other financial assets	138,583	148,936
Property, plant, and equipment	424,672	405,349
Goodwill and intangible assets	72,539	60,986
Deferred tax assets	43,641	46,984
Other noncurrent assets	27,874	25,212
Total noncurrent assets	1,550,775	1,420,434
Total assets	¥ 3,189,317	¥ 3,139,318

(Continued on the following page)

(Unit: millions of yen)

December 31:	2020	2019 (Reference)
LIABILITIES AND EQUITY		
Current liabilities:		
Bonds and borrowings	¥ 366,038	¥ 386,538
Trade payables	323,607	293,774
Other financial liabilities	87,445	78,860
Income taxes payable	14,676	18,611
Provisions	39,736	31,001
Other current liabilities	194,924	192,959
Total current liabilities	1,026,426	1,001,743
Noncurrent liabilities:		
Bonds and borrowings	508,398	516,443
Other financial liabilities	31,537	30,247
Retirement benefit liabilities	16,144	15,773
Deferred tax liabilities	28,088	32,984
Other noncurrent liabilities	4,539	4,914
Total noncurrent liabilities	588,706	600,361
Total liabilities	1,615,132	1,602,104
Equity:		
Equity attributable to owners of the parent:		
Share capital	84,130	84,130
Share premium	84,943	84,671
Retained earnings	1,325,764	1,238,824
Other components of equity	(18,162)	35,849
Treasury shares	(636)	(637)
Total equity attributable to owners of the parent	1,476,039	1,442,837
Noncontrolling interests	98,146	94,377
Total equity	1,574,185	1,537,214
Total liabilities and equity	¥ 3,189,317	¥ 3,139,318

* The accompanying notes are an integral part of these statements.

Consolidated Statement of Profit or Loss

Kubota Corporation and Its Subsidiaries

(Unit: millions of yen)

Year ended December 31:	2020	2019 (Reference)
Revenue	¥ 1,853,234	¥ 1,920,042
Cost of sales	(1,318,384)	(1,360,115)
Selling, general, and administrative expenses	(356,092)	(351,986)
Other income	6,950	3,648
Other expenses	(10,424)	(9,935)
Operating profit	175,284	201,654
Finance income	12,294	8,866
Finance costs	(1,679)	(1,498)
Profit before income taxes	185,899	209,022
Income tax expenses	(47,027)	(53,002)
Share of profits of investments accounted for using the equity method	2,528	3,071
Profit for the year	¥ 141,400	¥ 159,091
Profit attributable to:		
Owners of the parent	¥ 128,524	¥ 149,061
Noncontrolling interests	¥ 12,876	¥ 10,030

* The accompanying notes are an integral part of these statements.

(Reference)

Consolidated Statement of Cash Flows

Kubota Corporation and Its Subsidiaries

(Unit: millions of yen)

Year ended December 31:	2020	2019
Net cash provided by operating activities	¥ 142,919	¥ 82,410
Net cash used in investing activities	(47,133)	(91,470)
Net cash used in financing activities	(68,354)	(21,515)
Effect of exchange rate changes on cash and cash equivalents	(4,178)	1,117
Net increase (decrease) in cash and cash equivalents	23,254	(29,458)
Cash and cash equivalents, at the beginning of the year	199,665	229,123
Cash and cash equivalents, at the end of the year	¥ 222,919	¥ 199,665

* The accompanying notes are an integral part of these statements.

Consolidated Statement of Changes in Equity

Kubota Corporation and Its Subsidiaries

(Unit: millions of yen)

	Equity attributable to owners of the parent					Total equity attributable to owners of the parent	Noncontrolling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares			
Balance as of January 1, 2019	¥ 84,130	¥ 85,305	¥ 1,135,395	¥ 35,343	¥ (323)	¥ 1,339,850	¥ 86,583	¥ 1,426,433
Profit for the year			149,061			149,061	10,030	159,091
Total other comprehensive income, net of income tax				17,987		17,987	4,122	22,109
Comprehensive income for the year			149,061	17,987		167,048	14,152	181,200
Transfer to retained earnings			17,018	(17,018)		—		—
Dividends paid			(43,065)			(43,065)	(3,984)	(47,049)
Purchases and sales of treasury shares					(20,002)	(20,002)		(20,002)
Retirement of treasury shares			(19,566)		19,566	—		—
Share-based payments with transfer restrictions		(9)	(19)		122	94		94
Changes in ownership interests in subsidiaries		(625)		(463)		(1,088)	(2,374)	(3,462)
Balance as of December 31, 2019	¥ 84,130	¥ 84,671	¥ 1,238,824	¥ 35,849	¥ (637)	¥ 1,442,837	¥ 94,377	¥ 1,537,214
Profit for the year			128,524			128,524	12,876	141,400
Total other comprehensive income, net of income tax				(31,868)		(31,868)	(4,183)	(36,051)
Comprehensive income for the year			128,524	(31,868)		96,656	8,693	105,349
Transfer to retained earnings			22,158	(22,158)		—		—
Dividends paid			(43,853)			(43,853)	(4,503)	(48,356)
Purchases and sales of treasury shares					(20,002)	(20,002)		(20,002)
Retirement of treasury shares			(19,854)		19,854	—		—
Share-based payments with transfer restrictions		(4)	(35)		149	110		110
Changes in ownership interests in subsidiaries		276		15		291	(421)	(130)
Balance as of December 31, 2020	¥ 84,130	¥ 84,943	¥ 1,325,764	¥ (18,162)	¥ (636)	¥ 1,476,039	¥ 98,146	¥ 1,574,185

* The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Kubota Corporation and Its Subsidiaries

Amounts less than the presentation unit are rounded.

Matters Regarding Preparation of Consolidated Financial Statements

Significant Accounting Policies

1. Basis of Preparation of Consolidated Financial Statements

The accompanying consolidated financial statements are prepared in accordance with International Financial Reporting Standards (hereinafter, "IFRS") under Article 120, Paragraph 1 of the Ordinance on Company Accounting. However, certain supplementary material and notes required under IFRS are omitted pursuant to the second sentence of the same paragraph.

2. Scope of Consolidation and Application of Equity Method

172 entities are consolidated. 13 entities are accounted for using the equity method.

3. Valuation Policies and Methods of Financial Assets

(1) Financial assets (excluding derivatives)

Financial assets are classified as either financial assets measured at amortized cost, debt financial assets measured at fair value through other comprehensive income, or equity financial assets measured at fair value through other comprehensive income.

Financial assets measured at amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest method if both of the following conditions are met:

- (a) the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (b) the contractual terms of the financial assets provide cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Debt financial assets measured at fair value through other comprehensive income

Financial assets are classified as debt financial assets measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- (b) the contractual terms of the financial assets provide cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Equity financial assets measured at fair value through other comprehensive income

With regard to equity financial assets, the Company has made an election to recognize changes in fair value in other comprehensive income. The accumulated amounts of net changes in the fair value of the equity financial assets are transferred to retained earnings, not to profit or loss, when the equity financial assets are derecognized, or the fair value of equity financial assets declines from the acquisition cost and its decline is deemed to be more than temporary.

Impairment of financial assets measured at amortized cost

The Company evaluates and recognizes an allowance for doubtful accounts for expected credit losses on financial assets measured at amortized cost at the end of each reporting period. If the credit risk on financial assets is deemed not to have significantly increased since the initial recognition, an allowance for doubtful accounts is recognized for the 12-month expected credit losses. An allowance for doubtful accounts is recognized for the lifetime expected credit losses if the credit risk on financial assets has significantly increased since the initial recognition. In regards to trade receivables, contract assets, and lease receivables, an allowance for doubtful accounts is always recognized for the lifetime expected credit losses.

(2) Derivatives

The Company initially recognizes derivatives at fair value at the date the contracts are entered into and subsequently remeasures them at fair value. Changes in fair value of these derivatives are all recognized in profit or loss.

4. Valuation Policies and Methods of Inventories

Inventories are stated at the lower of cost or net realizable value and are principally valued by the moving average method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and those necessary to sell inventories.

5. Depreciation of Property, Plant, and Equipment

Property, plant, and equipment, except for right-of-use assets, are principally depreciated using the straight-line method over the respective estimated useful lives.

Use-of-right assets are depreciated using the straight-line method over the period of the shorter of their useful lives or their lease terms.

6. Amortization of Goodwill and Intangible Assets

Intangible assets with definite useful lives are amortized over their respective estimated useful lives by using the straight-line method.

Goodwill and intangible assets with indefinite useful lives are not amortized, but are instead tested for impairment at least annually.

7. Basis of Provision for Allowance

Provisions are recognized when the Company has present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates can be made of the amount of obligations. Provisions are measured based on the best estimate of expenditure required to settle the present obligation at the end of the reporting period. When the effect of the time value of money is material, a provision is measured at the present value of the expenditures required to settle the obligation.

8. Revenue Recognition

(1) Revenue from contracts with customers

Regarding the revenue from contracts with customers, the Company recognizes them based on the following five steps (1. Identify the contract with a customer, 2. Identify the performance obligations in the contract, 3. Determine the transaction price, 4. Allocate the transaction price to the performance obligations in the contract, and 5. Recognize revenue when (or as) the entity satisfies a performance obligation).

The Company provides various products and services. The Farm & Industrial Machinery segment manufactures and distributes farm equipment, agricultural-related products, engines, and construction machinery. The Water & Environment segment manufactures and distributes pipe-, environment-, and social infrastructure-related products, and receives construction contracts for public buildings such as environment-related facilities and water supply facilities.

Revenue from sales of products is recognized when the products are delivered to the customers, since the Company considered that the Company satisfies a performance obligation at that point in time.

Revenue is recognized over a construction period since a performance obligation is satisfied in accordance with the progress of construction. The Company uses the input method which is based on the costs incurred relative to the total expected costs of individual contracts, as the method to measure the extent of progress towards completion. Revenue is measured at the consideration promised in a contract with customers, less discounts, rebates depending on sales volume, and other items. The Company recognizes the consideration received from a customer as a liability when the Company expects to refund it in the future.

(2) Income from retail finance and finance leases

The Company provides retail finance and finance leases to end users who purchase the Company's products, such as farm equipment, etc., through dealers.

With regard to finance receivables arising from retail finance operations, interest income is recognized using the effective interest method over the contractual period. The above income is included in revenue in the consolidated statement of profit or loss.

9. Other Significant Accounting Policies

Postemployment benefits

The Company has defined benefit pension plans and defined contribution pension plans as postemployment benefit plans for employees. The net defined benefit liability and asset in the consolidated statement of financial position is measured as the difference between the present value of the defined benefit obligation and the fair value of plan assets.

The defined benefit obligation is determined using the projected unit credit method, and its present value is calculated by discounting future estimated cash outflows.

Prior service costs resulting from plan amendments are recognized in profit or loss when the plan is amended. Remeasurement of the net defined liability and asset is recognized in other comprehensive income when such remeasurement is made and transferred immediately to retained earnings.

Contributions to defined contribution plans are expensed in profit or loss for the period when employees render the related services.

Notes to Consolidated Statement of Financial Position

1. Allowance for doubtful accounts and credit losses directly deducted from trade receivables and finance receivables were ¥27,659 million at December 31, 2020.

2. Property, plant, and equipment was comprised of the following at December 31, 2020:

	(Unit: millions of yen)	
Land	¥	104,064
Buildings and structures		383,284
Machinery and other equipment		571,911
Construction in progress		33,190
Accumulated depreciation and accumulated impairment losses		(667,777)
Total	¥	424,672

3. Assets pledged as collateral were comprised of the following at December 31, 2020:

	(Unit: millions of yen)	
Trade receivables	¥	187
Finance receivables—current		86,278
Other financial assets—current		12,981
Finance receivables—noncurrent		128,827
Property, plant, and equipment		1,364
Total	¥	229,637

Liabilities secured by the above assets were comprised of the following:

	(Unit: millions of yen)	
Bonds and borrowings	¥	190,153

4. The Company is contingently liable as guarantor of the indebtedness of certain distributors, including associates and customers for their borrowings from financial institutions. The maximum potential amount of undiscounted future payments of these financial guarantees at December 31, 2020 was ¥3,442 million.

Notes to Consolidated Statements of Changes in Equity

1. The number of shares issued was as follows at December 31, 2020:

Common shares 1,208,577 thousand shares

2. Dividends

(1) Dividends paid

Resolution	Class of shares	Dividends (millions of yen)	Dividends per common share (yen)	Record date	Effective date
The Meeting of the Board of Directors on February 14, 2020	Common shares	¥ 23,185	¥ 19.00	December 31, 2019	March 23, 2020
The Meeting of the Board of Directors on August 4, 2020	Common shares	¥ 20,668	¥ 17.00	June 30, 2020	September 1, 2020

(2) Dividends with a record date in the year ended December 31, 2020 and with an effective date after December 31, 2020

Resolution	Class of shares	Dividends (millions of yen)	Dividends per common share (yen)	Record date	Effective date
The Meeting of the Board of Directors on February 15, 2021	Common shares	¥ 22,957	¥ 19.00	December 31, 2020	March 22, 2021

Notes to Financial Instruments

1. Description of Financial Instruments

The Company is exposed to certain risks, such as credit risk, liquidity risk, foreign currency exchange rate risk, and interest rate risk, etc., in the ordinary course of business. The Company engages in risk management to mitigate these risks.

2. Fair Values of Financial Instruments

The carrying amounts and fair values of financial instruments at December 31, 2020 were as follows:

(Unit: millions of yen)

	Carrying amount	Fair value
Financial assets and liabilities measured at amortized cost:		
Finance receivables *1	¥ 1,124,968	¥ 1,186,488
Long-term trade accounts receivable *1	70,767	75,464
Bonds and borrowings *1	(874,436)	(883,983)
Financial assets and liabilities measured at fair value:		
Equity financial assets *2	97,906	97,906
Derivatives: *3		
Foreign exchange contracts	(56)	(56)
Interest rate swap contracts	(1,803)	(1,803)
Cross-currency interest rate swap contracts	(2,778)	(2,778)

The figures in parentheses are liabilities.

Method of determining fair value:

*1. The fair value is stated at the present value of future cash flows as obtained by discounting the amount at the current market rate. The carrying amount of long-term trade accounts receivable in the table includes the current portion, which is included in trade receivables in the consolidated statement of financial position.

- *2. Marketable equity financial assets are measured at fair value using quoted prices for identical assets in active markets. Nonmarketable equity financial assets are measured at fair value using methods such as the comparable company comparison method.
- *3. The fair value of derivatives is the market price presented by major international financial institutions.
- *4. The carrying amounts of cash and cash equivalents, trade receivables (excluding the current portion of long-term trade accounts receivable), other financial assets (excluding debt financial assets measured at fair value, equity financial assets, and derivatives), trade payables, and other financial liabilities (excluding lease liabilities and derivatives) approximate fair value due to their short-term maturity.

Notes to Per Common Share Information

1. Total equity per share attributable to owners of the parent	¥ 1,221.95
2. Earnings per share attributable to owners of the parent:	
Basic	¥ 105.85

Balance Sheets (Non-consolidated)

Kubota Corporation

(Unit: millions of yen)

December 31:	2020	2019
		(Reference)
ASSETS		
Current assets:		
Cash and deposits	¥ 87,620	¥ 78,059
Trade notes receivable	2,097	2,229
Electronically recorded accounts receivable	39,815	38,948
Trade accounts receivable	327,344	275,238
Finished goods	45,253	45,503
Work in process	24,139	27,444
Raw materials and supplies	9,829	10,483
Other	100,947	93,066
Allowance for doubtful receivables	(40)	(40)
Total current assets	637,007	570,933
Fixed assets:		
Property, plant, and equipment—net:		
Buildings	46,830	45,428
Machinery and equipment	46,197	39,523
Land	70,116	68,110
Construction in progress	14,151	6,685
Other	16,189	16,283
Total property, plant, and equipment—net	193,485	176,030
Intangibles—net:		
Software	25,048	14,999
Other	565	643
Total intangibles—net	25,614	15,643
Investments and other assets:		
Investment securities	93,891	105,809
Investments in affiliates	199,346	198,899
Long-term loans receivable	36,805	46,110
Prepaid pension costs	23,793	24,357
Other	28,995	28,566
Allowance for doubtful receivables	(128)	(109)
Total investments and other assets	382,703	403,632
Total fixed assets	601,803	595,306
Total assets	¥ 1,238,811	¥ 1,166,239

(Continued on the following page)

(Unit: millions of yen)

December 31:	2020	2019 (Reference)
LIABILITIES AND EQUITY		
Current liabilities:		
Trade notes payable	¥ 468	¥ 462
Electronically recorded accounts payable	155,240	148,532
Trade accounts payable	85,332	63,634
Short-term borrowings	30,000	30,000
Current portion of bonds	—	20,000
Other accounts payable	17,435	14,796
Income taxes payable	6,668	9,944
Accrued expenses	28,669	26,319
Deposits received	142,495	118,078
Provision for warranty costs	17,496	15,013
Provision for bonuses	8,841	8,588
Provision for directors' bonuses	305	201
Other	22,530	17,982
Total current liabilities	515,485	473,553
Long-term liabilities:		
Long-term borrowings	110,000	60,000
Deferred tax liabilities	2,466	9,046
Other	1,111	1,101
Total long-term liabilities	113,578	70,148
Total liabilities	629,063	543,702
Shareholders' equity:		
Common stock	84,130	84,130
Capital surplus:		
Additional paid-in capital	73,117	73,117
Total capital surplus	73,117	73,117
Retained earnings:		
Legal reserve	19,539	19,539
Other retained earnings:		
Reserve for special depreciation	0	2
Reserve for reduction entry of land	171	171
Reserve for special accounts	250	—
General reserve	349,542	349,542
Unappropriated retained earnings	43,899	38,847
Total other retained earnings	393,863	388,564
Total retained earnings	413,403	408,103
Treasury stock	(507)	(508)
Total shareholders' equity	570,143	564,843
Valuation and translation adjustments:		
Unrealized holding gains on securities	39,608	57,712
Unrealized gains from hedging activities	(3)	(17)
Total valuation and translation adjustments	39,604	57,694
Total net assets	609,747	622,537
Total liabilities and net assets	¥ 1,238,811	¥ 1,166,239

* The accompanying notes are an integral part of these statements.

Statements of Income (Non-consolidated)

Kubota Corporation

(Unit: millions of yen)

Year ended December 31:	2020		2019	
			(Reference)	
Net sales	¥	865,585	¥	897,574
Cost of sales		730,467		741,590
Gross profit		135,118		155,983
Selling, general, and administrative expenses		124,069		130,814
Operating income		11,048		25,169
Non-operating income:		54,344		41,554
Interest and dividend income		28,311		17,442
Royalty income		16,090		15,862
Other		9,942		8,249
Non-operating expenses:		11,608		9,673
Interest expenses		546		354
Other		11,061		9,319
Ordinary income		53,785		57,049
Extraordinary income		28,968		16,195
Gain on sales of investment securities		28,968		16,195
Extraordinary loss		—		3,281
Loss from disaster		—		3,281
Income before income taxes		82,753		69,963
Income taxes:		13,710		11,701
Current		14,362		14,572
Deferred		(651)		(2,870)
Net income	¥	69,043	¥	58,261

* The accompanying notes are an integral part of these statements.

Statements of Changes in Net Assets (Non-consolidated)

Kubota Corporation

(Unit: millions of yen)

	Shareholders' equity									
	Capital surplus					Retained earnings				
	Common stock	Additional paid-in capital	Other capital surplus	Legal reserve	Reserve for special depreciation	Reserve for reduction entry of land	Other retained earnings			Unappropriated retained earnings
							Reserve for special accounts	General reserve		
Balance as of January 1, 2020	¥ 84,130	¥ 73,117	¥ -	¥ 19,539	¥ 2	¥ 171	-	¥ 349,542	¥ 38,847	
Changes in the year										
Transfer of reserve for special depreciation					(2)				2	
Appropriation to reserve for special accounts							250		(250)	
Dividends									(43,853)	
Net income									69,043	
Purchase of treasury stock										
Sales of treasury stock				(0)						
Retirement of treasury stock									(19,854)	
Share-based payments with transfer restrictions				(35)						
Transfer to capital surplus from retained earnings				35					(35)	
Net change of items other than shareholders' equity										
Total changes in the year	-	-	-	-	(2)	-	250	-	5,051	
Balance as of December 31, 2020	¥ 84,130	¥ 73,117	¥ -	¥ 19,539	¥ 0	¥ 171	¥ 250	¥ 349,542	¥ 43,899	

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Unrealized holding gains on securities	Unrealized gains (losses) from hedging activities	Total valuation and translation adjustments	
Balance as of January 1, 2020	¥ (508)	¥ 564,843	¥ 57,712	¥ (17)	¥ 57,694	¥ 622,537
Changes in the year						
Transfer of reserve for special depreciation		-			-	-
Appropriation to reserve for special accounts		-			-	-
Dividends		(43,853)			-	(43,853)
Net income		69,043			-	69,043
Purchase of treasury stock	(20,002)	(20,002)			-	(20,002)
Sales of treasury stock	0	0			-	0
Retirement of treasury stock	19,854	-			-	-
Share-based payments with transfer restrictions	148	112			-	112
Transfer to capital surplus from retained earnings		-			-	-
Net change of items other than shareholders' equity		-	(18,104)	13	(18,090)	(18,090)
Total changes in the year	1	5,300	(18,104)	13	(18,090)	(12,789)
Balance as of December 31, 2020	¥ (507)	¥ 570,143	¥ 39,608	¥ (3)	¥ 39,604	¥ 609,747

(Unit: millions of yen)

	Shareholders' equity							
	Capital surplus				Retained earnings			
	Common stock	Additional paid-in capital	Other capital surplus	Legal reserve	Other retained earnings			
					Reserve for special depreciation	Reserve for reduction entry of land	General reserve	Unappropriated retained earnings
Balance as of January 1, 2019	¥ 84,130	¥ 73,117	¥ -	¥ 19,539	¥ 7	¥ 171	¥ 321,642	¥ 71,131
Changes in the year								
Transfer of reserve for special depreciation					(5)			5
Appropriation to general reserve							27,900	(27,900)
Dividends								(43,064)
Net income								58,261
Purchase of treasury stock								
Retirement of treasury stock								(19,566)
Share-based payments with transfer restrictions				(19)				
Transfer to capital surplus from retained earnings				19				(19)
Net change of items other than shareholders' equity								
Total changes in the year	-	-	-	-	(5)	-	27,900	(32,283)
Balance as of December 31, 2019	¥ 84,130	¥ 73,117	¥ -	¥ 19,539	¥ 2	¥ 171	¥ 349,542	¥ 38,847

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Unrealized holding gains on securities	Unrealized gains (losses) from hedging activities	Total valuation and translation adjustments	
Balance as of January 1, 2019	¥ (194)	¥ 569,545	¥ 57,115	¥ 56	¥ 57,171	¥ 626,716
Changes in the year						
Transfer of reserve for special depreciation		-			-	-
Appropriation to general reserve		-			-	-
Dividends		(43,064)			-	(43,064)
Net income		58,261			-	58,261
Purchase of treasury stock	(20,002)	(20,002)			-	(20,002)
Retirement of treasury stock	19,566	-			-	-
Share-based payments with transfer restrictions	122	102			-	102
Transfer to capital surplus from retained earnings		-			-	-
Net change of items other than shareholders' equity		-	597	(73)	523	523
Total changes in the year	(314)	(4,702)	597	(73)	523	(4,179)
Balance as of December 31, 2019	¥ (508)	¥ 564,843	¥ 57,712	¥ (17)	¥ 57,694	¥ 622,537

* The accompanying notes are an integral part of these statements.

Notes to Financial Statements (Non-consolidated)

Kubota Corporation

Amounts less than the presentation unit are rounded down.

Significant Accounting Policies

1. Basis and Methods of Asset Valuation

(1) Securities

Investments in affiliates are stated at cost, which is determined by the moving-average method.

Marketable securities within securities classified as other securities under Japanese GAAP are stated at fair value based on market prices at the fiscal year end. Any changes in unrealized holding gains or losses are included directly in net assets, and cost of securities sold is determined by the moving-average method.

Nonmarketable securities within securities classified as other securities under Japanese GAAP are stated at cost, which is determined by the moving-average method.

(2) Derivatives

Derivatives are stated at fair value.

(3) Inventories

Inventories are stated at cost (method of lowering carrying amount due to a decline in profitability), which is determined by the moving-average method. Finished goods and work-in-process manufactured under specific production orders are stated at cost, which is determined by the specific identification method.

2. Methods of Depreciation and Amortization of Fixed Assets

Property, plant, and equipment, except for leased assets, are depreciated by using the straight-line method.

Intangible assets are amortized by the straight-line method. Internal-use software is amortized over the useful life of five years.

Leased assets under finance lease transactions that do not transfer ownership are amortized by the straight-line method, using the lease term as the useful life.

3. Basis of Provisions

The allowance for doubtful receivables is provided for possible losses from bad debt at an estimated uncollectible amount determined based on the historical experience of bad debt loss for general receivables and is evaluated individually for specific doubtful receivables from customers who are experiencing financial difficulties.

Provision for warranty costs is provided to prepare for free repair for damaged products already sold based on an analysis of the Kubota Corporation's historical data of costs expensed under product warranties and estimations individually made.

Provision for bonuses is provided to prepare for payment of bonuses to employees at an estimated amount to be paid to employees for services rendered during the current fiscal year.

Provision for directors' bonuses is provided to prepare for payment of bonuses to directors based on an estimated amount to be paid to directors for the duties executed during the current fiscal year.

Accrued retirement and pension costs (prepaid pension costs) are provided to prepare for payments of retirement benefits based on the retirement benefit obligation and the fair value of the pension plan assets at the fiscal year end.

Since the fair value of pension assets as of December 31, 2020 exceeded retirement benefit obligations, after deduction of unrecognized prior-year service costs and actuarial gains or losses, prepaid pension costs were recorded on the balance sheets.

Prior-year service costs are amortized over the estimated average remaining service period (14.2 to 16.3 years) of employees as incurred by using the straight-line method.

Actuarial gains or losses are amortized over the estimated average remaining service period of employees by using the declining-balance method from the year following the year in which they were incurred.

The average remaining service period of employees as a basis of amortization ratio is 17.0 years.

4. Basis of Recognition of Revenue and Costs

Kubota Corporation applies the percentage-of-completion method to construction contracts when it is possible to develop reasonably dependable estimates of the extent of progress toward completion of individual contracts. Otherwise, Kubota Corporation applies the completed-contract method to construction contracts. In measuring the extent of progress toward completion, Kubota Corporation uses the cost-to-cost method.

5. Other Significant Accounting Policies

(1) Translation of assets and liabilities denominated in foreign currencies

Monetary claims and debts denominated in foreign currencies are translated into Japanese yen using the spot exchange rate at each balance sheet date, and gains and losses arising from exchange rate changes are recorded in earnings.

(2) Hedge accounting

All short-term foreign exchange forward contracts are measured at fair value. Except for the forward contracts entered into for forecasted transactions, such contracts are recorded in earnings for the current fiscal year by netting foreign exchange gains or losses on receivables and payables denominated in foreign currencies that are hedged items.

Interest rate swap contracts are not recorded on the balance sheets as Kubota Corporation applies exceptional treatment to the contracts.

(3) Consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes in the statements of income.

(4) Consolidated taxation system

Kubota Corporation adopts the consolidated taxation system.

(5) Adoption of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Japanese group relief system

With respect to items subject to the review of the Non-Consolidated Taxation System conducted to coincide with transition from the Consolidated Taxation System to the Japanese group relief system, which was created under the Act on Partial Revision of the Income Tax Act, etc. (Act No. 8 of 2020), the Company and some of its domestic consolidated subsidiaries have not applied the provisions of Paragraph 44 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28 issued February 16, 2018) in accordance with the treatment set out in Paragraph 3 of Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Japanese group relief system (PITF No.39 issued March 31, 2020) and the amounts of deferred tax liabilities and deferred tax assets are based on the provisions of tax laws before the revision.

6. Change in presentation

Gain on sales of investment securities is separately reported as an extraordinary gain item in the current fiscal year, which was reported as a non-operating income in the prior fiscal year, as the materiality has increased.

Notes to Balance Sheets

1. Monetary claims from and debts to affiliates	
Short-term receivables from affiliates	¥ 370,972 million
Long-term receivables from affiliates	¥ 36,800 million
Short-term payables to affiliates	¥ 164,175 million
2. Accumulated depreciation of property, plant, and equipment	¥ 392,339 million
3. Contingent liabilities:	
Guarantees	
Guarantees for borrowings of affiliates from financial institutions	
Kubota Saudi Arabia Company, LLC	¥ 717 million
Credit guarantees for group financing	
Kubota Credit Co., Ltd.	¥ 2,950 million
4. The following notes that matured on December 31, 2020, the current fiscal year end, were included in the corresponding note accounts in the balance sheets because that day fell on a bank holiday.	
Trade notes receivable	¥ 148 million
Electronically recorded accounts receivable	¥ 2,909 million
Trade notes payable	¥ 42 million
Electronically recorded accounts payable	¥ 32,880 million

Notes to Statements of Income

Transactions with affiliates	
Sales to affiliates	¥ 712,420 million
Purchases from affiliates	¥ 149,893 million
Transactions with affiliates other than operating transactions	¥ 46,199 million

Notes to Statements of Changes in Net Assets

1. The number of treasury stock at December 31, 2020 was as follows:

Common stock 306 thousand shares

Notes to Deferred Tax Assets and Liabilities

1. Significant components of deferred tax assets

Accrued enterprise tax	¥ 644 million
Provision for warranty costs	5,353 million
Provision for bonuses	2,705 million
Valuation losses on investment securities and investments in affiliates	2,940 million
Other	11,233 million
Subtotal	22,877 million
Valuation allowance	(4,254) million
Total deferred tax assets	¥ 18,623 million

2. Significant components of deferred tax liabilities

Prepaid pension costs	¥ (4,479) million
Unrealized holding gains on securities	(16,050) million
Other	(560) million
Total deferred tax liabilities	(21,090) million
Net deferred tax liabilities	¥ (2,466) million

Note to Related-Party Transactions

Type	Name	Location	Common stock	Operations	Ownership of voting shares	Relationship	Contents of transactions	Amount of transactions (millions of yen)	Accounts	Balance at December 31, 2020 (millions of yen)
Subsidiary	Kubota Tractor Corporation	Texas, U.S.A.	US\$37 million	Sales of tractors, outdoor power equipment, construction machinery, and implements	100.0*	Sales of products of Kubota Corporation	Sales of tractors and other machinery (Note 1)	212,317	Trade accounts receivable	85,271
	Kubota Engine America Corporation	Illinois, U.S.A.	US\$10 million	Sales, engineering, and after-sales services of engines, engine parts, and engine accessories	100.0*	Sales of products of Kubota Corporation	Sales of engines (Note 1)	56,229	Trade accounts receivable	20,657
	Kubota Baumaschinen GmbH	Rheinland-Pfalz, Germany	EUR 14 million	Manufacturing and sales of construction machinery	100.0*	Sales of products of Kubota Corporation	Sales of construction machinery (Note 1)	45,696	Trade accounts receivable	20,141
	Kubota Europe S.A.S.	Val-d'Oise, France	EUR 56 million	Sales of construction machinery, tractors, outdoor power equipment, and engines	100.0*	Sales of products of Kubota Corporation	Sales of tractors and other machinery (Note 1)	24,888	Trade accounts receivable	8,379
	KUBOTA Construction Machinery Japan Corporation	Osaka, Japan	¥300 million	Sales of construction machinery, etc.	100.0	Sales of products of Kubota Corporation	Sales of construction machinery (Note 1)	24,624	Trade accounts receivable	14,175
	SIAM KUBOTA Corporation Co., Ltd.	Pathomtani, Thailand	THB 2,739 million	Manufacturing and sales of tractors, combine harvesters, implements, and horizontal-type diesel engines Sales of construction machinery	60.0	Sales of products of Kubota Corporation Interlocking directors	Patent royalty (Note 2)	3,978	Other (Current assets)	2,604
							Management advice fee (Note 2)	3,211	Other (Current assets)	1,830
	Kubota Credit Co., Ltd.	Osaka, Japan	¥500 million	Retail financing to purchasers of farm equipment and related products	55.0 22.9*	Financial assistance Credit guarantee Interlocking directors	Lending (Notes 3 and 4) Interest receipt (Note 3) Depositing (Notes 3 and 4) Interest payment (Note 3) Credit guarantee (Note 5)	74,539 145 18,933 14 2,950	Short-term loans receivable Long-term loans receivable Other (Current assets) Deposits received Other (Current liabilities) -	31,750 35,300 27 26,685 2 -
	Kubota Holdings Europe B.V	Noord-Holland, Netherlands	EUR 532 million	Administration of subsidiaries in Europe	100.0	Financial assistance Interlocking directors	Lending (Notes 3 and 4) Interest receipt (Note 3)	20,442 28	Short-term loans receivable Other (Current assets)	11,425 1

Type	Name	Location	Common stock	Operations	Ownership of voting shares	Relationship	Contents of transactions	Amount of transactions (millions of yen)	Accounts	Balance at December 31, 2020 (millions of yen)
Subsidiary	Kubota China Holdings CO.,Ltd.	Shanghai, China	RMB 1,701 million	Administration of subsidiaries in China	100.0	Depositing Interlocking directors	Depositing (Notes 3 and 4)	6,352	Deposits received	15,641
							Interest payment (Note 3)	167	Other (Current liabilities)	9

* Indirect holding

Amount of transactions do not include consumption taxes, while *balance at December 31, 2020* include consumption taxes in the above table.

<Terms and conditions of business, decision-making policies regarding terms and conditions of business, and others>

- (Notes)
1. Regarding product sales, suggested prices are proposed by Kubota Corporation in consideration of market prices, and total costs and transaction prices are determined after price negotiations.
 2. Patent royalty and management advisory fees are determined based on a percentage of sales of SIAM KUBOTA Corporation Co., Ltd.
 3. Interest rates are reasonably decided in consideration of market interest rates.
 4. Amounts of transactions are stated at the average balance during the fiscal year.
 5. Kubota Corporation provides a guarantee for group financing of Kubota Credit Co., Ltd.

Note to Per Common Share Information

- | | |
|--|----------|
| 1. Net assets per common share | ¥ 504.64 |
| 2. Net income per common share – basic | ¥ 56.84 |

Copy of
the Independent Auditor's Report Concerning Consolidated Financial Statements
(Translation)

INDEPENDENT AUDITOR'S REPORT

February 9, 2021

To the Board of Directors of Kubota Corporation:

Deloitte Touche Tohmatsu LLC
Osaka office

Designated Engagement Partner	Certified Public Accountant:	Koichiro Tsukuda
Designated Engagement Partner	Certified Public Accountant:	Takeshi Ito
Designated Engagement Partner	Certified Public Accountant:	Hideaki Takagi

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Kubota Corporation and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of December 31, 2020, and the consolidated statement of profit or loss and consolidated statement of changes in equity for the fiscal year from January 1, 2020 to December 31, 2020, and the related notes.

In our opinion, the accompanying consolidated financial statements, prepared with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020, and its consolidated performance for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

Copy of
the Independent Auditor's Report Concerning Financial Statements (Non-consolidated)
(Translation)

INDEPENDENT AUDITOR'S REPORT

February 9, 2021

To the Board of Directors of Kubota Corporation:

Deloitte Touche Tohmatsu LLC		
Osaka office		
Designated Engagement Partner	Certified Public Accountant:	Koichiro Tsukuda
Designated Engagement Partner	Certified Public Accountant:	Takeshi Ito
Designated Engagement Partner	Certified Public Accountant:	Hideaki Takagi

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements of Kubota Corporation (the "Company"), namely, the balance sheet (Non-consolidated) as of December 31, 2020, and the statement of income (Non-consolidated) and statement of changes in net assets (Non-consolidated) for the 131th fiscal year from January 1, 2020 to December 31, 2020, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

Copy of the Audit Report of the Audit & Supervisory Board

(Translation)

AUDIT REPORT

In respect of the execution of duties of the Directors during the 131th business term, from January 1, 2020 to December 31, 2020, the Audit & Supervisory Board (hereinafter “we”), following the discussion among ourselves, have prepared this audit report based on the audit report prepared by each Audit & Supervisory Board Member, and hereby report as follows:

1. Methods and details of audits by the Audit & Supervisory Board Members and the Audit & Supervisory Board

We have formulated an audit policy to share duties among the Audit & Supervisory Board Members and other audit-related items. We have received reports from each Audit & Supervisory Board Member on the implementation and results of audits, and received reports from the Directors of Kubota Corporation, the Independent Auditor, and other parties on their execution of duties, and requested explanations from them when necessary.

In accordance with the audit policies, division of duties, and standards for the Audit & Supervisory Board Members as established by the Audit & Supervisory Board, each Audit & Supervisory Board Member communicated with the Directors, the internal audit department, employees, and others; committed to gathering information and enhancing the audit environment; attended meetings of the Board of Directors and other important meetings; received reports from the Directors, employees, and others regarding the performance of their duties; requested explanations as necessary; inspected important documents supporting decisions and other records; and examined the status of operations and assets at the head office and important operating locations. In addition, each Audit & Supervisory Board Member periodically received reports from the Directors, employees, and others; requested explanation as necessary; inspected important documents supporting decisions and other records; and expressed opinions regarding the details of the Board of Directors’ resolutions and the system that is developed and operated in accordance with such resolutions concerning the development of systems to ensure that Directors’ performance of duties are in compliance with laws and regulations, the Articles of Incorporation, and the system to ensure the adequacy of operations of the Group, consisting of Kubota Corporation and its subsidiaries, as stipulated under Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act (internal control system). In addition, as to internal controls over financial reporting, we have received reports from the Directors and the Independent Auditor regarding the assessment of internal controls and the status of audits, and requested explanations from them as necessary. As for the subsidiaries, each Audit & Supervisory Board Member promoted communications with the Directors and the Audit & Supervisory Board Members, etc. of the subsidiaries and received reports on the business of the subsidiaries as necessary. Through these methods, each Audit & Supervisory Board Member examined the business report and the accompanying supplementary schedules for the fiscal year under review.

In addition, we monitored and verified whether the Independent Auditor made appropriate audits while maintaining its independence. We received reports from the Independent Auditor on its operations and requested explanations when necessary. The Independent Auditor notified us, and we requested explanations when necessary, concerning its establishment of a “System for Ensuring the Appropriate Execution of Duties” (the Ordinance on Company Accounting Article 131) in accordance with the “Quality Control Standards for Audits” (issued by the Business Accounting Council on October 28, 2005). Through these methods, we examined the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, and notes to consolidated financial statements); and the non-consolidated financial statements (balance sheet, statement of income, statement of changes in net assets, and notes to non-consolidated financial statements) and the accompanying supplementary schedules for the fiscal year under review.

2. Results of the Audit:

(1) Results of the Audit of the Business Report

- 1) We have found that the business report and the supplementary schedules present fairly, the current financial position of Kubota Corporation in conformity with applicable laws and regulations and the Articles of Incorporation.
- 2) With respect to the execution of duties of the Directors, we have found neither improper conduct nor any material breach of applicable laws and regulations and the Articles of Incorporation.
- 3) We have found that the resolutions of the Board of Directors regarding the internal control system are proper and correct. We have found nothing that needs to be highlighted concerning the content of the business report and the Directors' performance of duties regarding the internal control system.

(2) Results of the Audit of the Consolidated Financial Statements, the Non-consolidated Financial Statements, and the Supplementary Schedules

We have found that the auditing methods employed by Deloitte Touche Tohmatsu LLC, Independent Auditor, and the results thereof are appropriate and sufficient.

February 10, 2021

The Audit & Supervisory Board of Kubota Corporation

Audit & Supervisory Board Member (full time)	Toshikazu Fukuyama
Audit & Supervisory Board Member (full time)	Yasuhiko Hiyama
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Masaki Fujiwara
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Kumi Arakane
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Yuichi Yamada

The above represents a translation, for convenience only, of the original report issued in the Japanese language.