

Independence Criteria for Outside Directors/Audit & Supervisory Board Members

Kubota Corporation has established the Independence Criteria for Outside Directors/Audit & Supervisory Board Members, considering laws and regulations, and provisions of the Tokyo Stock Exchange, among other regulations, to ensure transparency and objectivity in the governance of Kubota Corporation and its subsidiaries (hereinafter, the “Group”). Kubota Corporation shall deem that an Outside Director/Audit & Supervisory Board Member does not satisfy independence from Kubota Corporation if any of the following items applies to that person.

1. A person who is an executive* of the Group, or who was such an executive within the 10-year period prior to the appointment as Outside Director/Audit & Supervisory Board Member.

* 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, senior executive officer (*shikkoyakuin*), executive officer (*executive officer*) 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 Group (excluding Outside Audit & Supervisory Board Member) or who was such an Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member) within the 10-year period prior to his/her appointment.

3. A Major Business Partner of the Group*, or its executive.

* The term “Major Business Partner of the Group” herein refers to a business partner such as a major purchaser of the Group’s goods and services in any of the last three fiscal years, whose annual amount of trade with the Group exceeds 2% of the consolidated revenue of the Group for the relevant fiscal year.

4. An Entity whose Major Business Partner is the Group*, or its executive.

* The term “Entity whose Major Business Partner is the Group” herein refers to an entity for which the Group is a business partner such as a major purchaser of its goods and services (e.g. a supplier to the Group) in any of the last three fiscal years, whose annual amount of trade with the Group exceeds 2% of the consolidated revenue of the said entity for the relevant fiscal year.

5. A Major Lender to the Group*, or its executive.

* The term “Major Lender” herein refers to a financial institution from which the Group has obtained loans in any of the last three fiscal years, whose outstanding amount of the loans to the Group exceeds 2% of the consolidated total assets of the Group for the relevant fiscal year.

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 Group in the recent three fiscal years (or, in the case where the receiver of such benefits is 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 basis at the end of the relevant fiscal year, either in its own name or in the name of another person

8. A director, audit & supervisory board member, accounting advisor, executive officer (*shikkoyaku*) or senior executive officer (*shikkoyakuin*) of a corporation that has a reciprocal relationship with the Group in the appointment of outside directors/audit & supervisory board members.
9. Those who have received donations of property benefits exceeding 10 million yen per year from the Group in any of the last three fiscal years (or, in the case where the recipient of such donation is 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 those listed in 1 to 9 above (limited to Person in Important Position*).

* The term “Person in Important Position” herein refers to a director, executive officer (*shikkoyaku*), senior executive officer (*shikkoyakuin*) or any person holding a position equivalent thereto.