

MEETING DATE	Fri, 25 Mar 2016 10:00 am	TYPE	AGM	ISSUE DATE	Thu, 10 Mar 2016
MEETING LOCATION	Convention Hall of Kubota Corporation 247, Shikitsu Higashi 1chome, Naniwaku Osaka, Japan				
CURRENT INDICES	PIRC Japan				
SECTOR	Farm machinery and equipment				

PROPOSALS		ADVICE
<b>1</b>	<b>Amend Articles</b> The board is submitting a proposal to amend the Articles of Association. It is proposing to elect Substitute Audit & Supervisory Board Members in preparation for the prospect of failing to meet the minimum number of the Audit & Supervisory Board Members required by laws and regulation. Acceptable proposal. Triodos support this resolution.	<b>For</b>
<b>2.1</b>	<b>Elect Kimata Masatoshi</b> President. It is considered that it is the responsibility of the most senior Board members to ensure that there is appropriate outside oversight of Board decisions. As there is inadequate outside presence on the Board (less than three outside directors) Triodos oppose this resolution.	<b>Oppose</b>
<b>2.2</b>	<b>Elect Kubo Toshihiro</b> Executive Director. Acceptable Proposal.	<b>For</b>
<b>2.3</b>	<b>Elect Kimura Shigeru</b> Executive Director. Acceptable Proposal.	<b>For</b>
<b>2.4</b>	<b>Elect Ogawa Kenshirou</b> Executive Director. Acceptable Proposal.	<b>For</b>
<b>2.5</b>	<b>Elect Kitao Yuuichi</b> Executive Director. Acceptable Proposal.	<b>For</b>
<b>2.6</b>	<b>Elect Satochi Iida</b> Executive Director. Acceptable Proposal.	<b>For</b>
<b>2.7</b>	<b>Elect Matsuda Yuzuru</b> Independent Non-Executive Outside Director.	<b>For</b>
<b>2.8</b>	<b>Elect Ina Kouichi</b> Independent Non-Executive Outside Director.	<b>For</b>
<b>3</b>	<b>Elect Masao Morishita</b> Independent Outside Corporate Auditor. Acceptable proposal.	<b>For</b>
<b>4</b>	<b>Payment of Bonus to Directors/Corporate Auditors</b> The company proposes the payment of bonuses to directors and corporate auditors. Although shareholders are given an opportunity to vote at the Annual Meeting on whether bonus would be paid, the level of individual payment is unclear and is decided entirely by the board. However, the company does disclose that only internal directors will be able to benefit from this awards scheme and aggregate amount payable is disclosed. Acceptable proposal. Triodos support this resolution.	<b>For</b>

## SUPPORTING INFORMATION FOR RESOLUTIONS

### Proposal 3 - Elect Masao Morishita

The traditional governance structure for Japanese companies (Kansayaku) involves the appointment of corporate auditors. Large Japanese companies are required to form a board of corporate auditors with powers to examine board activities and oversee financial reports. Such companies are required by law to appoint at least three statutory auditors

to the corporate audit board. At least half the corporate auditors must qualify as 'outsiders'. Beyond this legal minimum, it is considered to be best practice that boards of corporate auditors should be composed wholly of outsiders. New appointments are therefore considered in the context of their affect on the balance of independence where disclosure allows. It is considered that the corporate auditor board will be 66% independent following the Annual Meeting.

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