

MEETING DATE	Fri, 24 Mar 2017 10:00 am	TYPE	AGM	ISSUE DATE	Fri, 10 Mar 2017
MEETING LOCATION	Convention Hall of Kubota Corporation 2-47, Shikitsuhigashi 1-chome, Naniwa-ku Osaka, Japan				
CURRENT INDICES	PIRC Japan				
SECTOR	Farm machinery and equipment				

PROPOSALS		ADVICE
1.1 Elect Kimata Masatoshi	President, Representative Director. 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), an oppose vote on the most senior directors is recommended.	Oppose
1.2 Elect Kubo Toshihiro	Executive Director. Representative Director.	For
1.3 Elect Kimura Shigeru	Executive Director.	For
1.4 Elect Ogawa Kenshirou	Executive Director.	For
1.5 Elect Kitao Yuuichi	Executive Director.	For
1.6 Elect Iida Satoshi	Executive Director.	For
1.7 Elect Yoshikawa Masato	Newly nominated Executive Director. There are no women on the Board. He is newly appointed to the Board and his appointment does not improve the gender balance on the Board which Triodos does not support.	Oppose
1.8 Elect Matsuda Yuzuru	Independent Non-Executive Outside Director.	For
1.9 Elect Ina Kouichi	Independent Non-Executive Outside Director.	For
2 Elect Reserve Corporate Auditor	Elect Morishita Masao, as reserve corporate auditor. Considered independent.	For
3 Payment of Bonus to Directors/Corporate Auditors	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. Triodos supports this resolution.	For
4 Reviewing Aggregate Remuneration Amount of Directors/Corporate Auditors	It is proposed to approve the aggregate remuneration of directors, pursuant to the provisions of the Companies Act and the Ordinance for Enforcement of the Companies Act. The increase has been justified and it is within recommended limits. Also, performance-related pay is restricted to executives. Triodos supports this resolution.	For

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Elect Reserve Corporate Auditor

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 effect on the balance of independence.

Note: It is considered that the corporate auditor board will be 50% independent following the Annual Meeting.

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