

<b>MEETING DATE</b>	Thu, 19 Mar 2020 10:00 am	<b>TYPE</b>	AGM	<b>ISSUE DATE</b>	Sun, 08 Mar 2020
<b>MEETING LOCATION</b>	Convention Hall of Kubota Corporation 2-47, Shikitsu Higashi 1-chome, Naniwa-ku, Osaka, Japan				
<b>CURRENT INDICES</b>	PIRC Japan				
<b>SECTOR</b>	Farm machinery and equipment				

<b>PROPOSALS</b>		<b>ADVICE</b>
<b>1.1 Elect Kimata Masatoshi</b>	Chair. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. Triodos opposes this resolution.	<b>Oppose</b>
<b>1.2 Elect Kitao Yuuichi</b>	Newly appointed President. It is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. However, newly appointed directors may not be held accountable for past appointments.	<b>For</b>
<b>1.3 Elect Yoshikawa Masato</b>	Executive Director. Support recommended.	<b>For</b>
<b>1.4 Elect Sasaki Shinji</b>	Executive Director. Support recommended.	<b>For</b>
<b>1.5 Elect Kurosawa Toshihiko</b>	Executive Director. Support recommended.	<b>For</b>
<b>1.6 Elect Watanabe Dai</b>	Executive Director. Support recommended.	<b>For</b>
<b>1.7 Elect Matsuda Yuzuru</b>	Independent Non-Executive Director.	<b>For</b>
<b>1.8 Elect Ina Kouichi</b>	Independent Non-Executive Director.	<b>For</b>
<b>1.9 Elect Shintaku Yuutarou</b>	Independent Non-Executive Director.	<b>For</b>
<b>2.1 Elect Yamada Yuuichi</b>	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 60.0% independent following the Annual Meeting.	<b>For</b>

- 3 Payment of Bonus to Directors** **For**  
The company proposes the payment of bonuses to directors. 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. A vote for is recommended.
- 4 Reviewing Aggregate Remuneration Amount of Directors** **For**  
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. Support is therefore recommended.
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## **SUPPORTING INFORMATION FOR RESOLUTIONS**

### **Proposal 2.1 - Elect Yamada Yuuichi**

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 60.0% independent following the Annual Meeting.

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