

# Toward sustainable society

In Japan, it was required for us to tackle voluntarily global environmental conservation in our corporate activities in fiscal 2003 than before, seeing enforcement of the environmental education promotion law, approval of the environmental consideration promotion law, and reinforcement of chemical substances control based on the PRTR law. And the movement anticipating the content of the Kyoto protocol is prominent internationally, seeing that the framework of trade of emitted amount of greenhouse gas was decided in EU as global warming measures.

In this way, global environmental issues are all-over-the-world problems beyond a citizen, a corporation and a country. Common activities are required for measures. It is indispensable for each country, each corporation and each people to continue to act steady. Since these are the magnificent activities aiming at permanence of all the life including humans, and aiming at restoring the global self-cleansing capacity, we have to implement long-term and continuous measures generation after generation.

We at Kubota think our global environmental conservation activities as the most important issue in our business activities. We established "Kubota global environmental charter" in 1992, and revised it as a global environmental charter of the whole Kubota group in 2001, and it is effective until today. Global environmental conservation is a basic condition for the implementation of Kubota group's corporate activities. It is also one of the corporate management issues, thinking of not only legal compliance but also contribution to society through environmental conservation positively as a basic policy.

We promoted our environmental conservation activities based on the "Voluntary environmental action plan" by division and plant for three years since 2001. As a result, we acquired environmental management system ISO14001 certificate in all of our plants, increased the kind of environment-friendly products, achieved zero emission in industrial waste, and controlled PCB effectively, as we planned. However, we could not achieve the voluntary goals of reduction of greenhouse gas and hazardous chemicals. So these are the problems to continue to be implemented after this.

We revised our plan of fiscal 2004 based on the result of our environmental-conservation and environmental-concerning activities in the previous year, thinking of new environmental issues which were raised and reinforcement of regulations. We newly drew up "Environment promotion mid-term plan (fiscal 2004 to fiscal 2005)" by which we promote our group's environmental conservation activities based on our companywide unified goals. We are going to promote our environmental-conservation and environmental-concerning activities, deciding specific action items by plant based on this "Environment promotion mid-term plan" from this fiscal year.

Specifically, we surely conduct a cycle of plan of implementation, promotion of environmental conservation activities, grasp and confirmation of results and effects, and review of plan and activities based on environmental management system in each plant. Moreover, we promote our activities organically and continuously, conducting in-house education and awareness activities regarding environmental issues completely, and reinforcing inner control function through a support for activities in each plant and periodical progress control by environmental management department which controls companywide environmental activities. In this way, we are surely going to achieve our goals of environment promotion mid-term plan.

Our main businesses are industrial infrastructure business, farm and industrial machinery business and environmental engineering business in Kubota group. In industrial infrastructure business, energy consumption used in a manufacturing process is relatively large. Reduction of greenhouse gas in connection with energy consumption is an issue of global environmental conservation. In farm and industrial machinery business, an environmental load in manufacturing process is relatively small. The environmental problems are global warming prevention by improving energy consumption efficiency in use of our products, and reduction of waste by recycling our products. In environmental engineering business, we think improving efficiency more highly in environmental purification and environmental remediation could contribute to society.

In this report, we pursued to make our readers understand the contents easily than before, and made an effort to improve information disclosure, including environmental accounting with a lot of contents based on a guideline edited by Ministry of the Environment in order to make our environmental conservation activities more transparent and in order to take responsible for society. This report is an important measure to make our readers understand Kubota group's environmental conservation activities and to promote communication between our readers and us.

We are looking forward to opinions and impressions from our readers.



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