

# An opinion of a third party



**Hiroshi Enoki ( certified accountant )**  
 Representative Director  
 President  
 Tohmatsum Environmental Research Institute Ltd.

I would like to express my opinion as a third party about Kubota's environmental conservation activities, based on the field trips about environmental conservation activities to the head office and some plants, and based on the inquiries to the employees, as well as reading Kubota's " Environmental Report 2004."

### 1 .Environmental corporate management

I think Kubota's environmental conservation activities are very satisfactory. Because it considers a various kind of environmental aspects, drawing up " Kubota environment promotion mid-term plan " based on " Kubota global environmental charter." Especially, I feel a steady corporate position seeing a complete legal compliance and zero emission.

I think it may be necessary for you to make the position of factor of environment clear in your business strategy in the whole group in order to promote environmental corporate management more deeply from now on. I also think it may be necessary for you to show a specific business case using financial and economic indexes in order to combine sustainable development with your business strategy. And I think it may be necessary for you to reinforce your environmental management of your whole group in order to implement these strategies.

### 2 Environmental conservation activities in plants

I visited two plants this time, namely a plant manufacturing casting products like cast iron pipes and so on, and a plant manufacturing agricultural machinery and so on. I found an environmental management system was established everywhere in daily work in the both plants, acquiring ISO14001 certification respectively.

Especially, I would like to attribute the activities such as reducing waste and saving energy measures, coping with both environmental conservation and economic contribution, to the results of positive proposals such as a process improvement and so on from the workers. And I admit the workers think well, seeing that procedures of emergency measures including photos are shown at each workshop.

### Social responsibility investment and eco-fund

Kubota is mentioned in " DJSI " of Dow Jones & Company in the U.S., " FTSE4GOOD " of FTSE International Corporation in the U.K., and " SRI stock index " of Morning Star Corporation in Japan.



Main domestic eco-fund in which Kubota's stock is invested

The name of fund
Nikko eco-fund
Green open ( a forest of beech )
UBS Japanese stock eco-fund ( eco-doctor )
Eco-balance ( the sea and sky )
Global sustainability

### 3 Environmental accounting

Environmental accounting is summed up based on the " environmental



accounting guideline ( 2002 version )" of Ministry of the Environment. The fluctuations of environmental conservation expenses, environmental conservation effects and economic effects are explained briefly in it. I can appreciate it to some extent as a report to the outsiders. I suggest you might disclose, from now on, how you think about environmental expenses expenditure in connection with allotment of managerial resources in order to comply with both environment and corporate management, and how you use it specifically in management in order to promote environmental conservation actively. Because you think environmental accounting is re-



garded as " a tool or index of environmental corporate management , which is indispensable for continuation of business and sustainable development." Concluded.

\*This opinion doesn't state as a third party the accuracy of the information in the environmental report.